



Gangmasters &  
Labour Abuse Authority

# Gangmasters and Labour Abuse Authority Annual Report and Accounts

1 April 2021 to 31 March 2022



HC 915

Working in partnership to protect vulnerable and exploited workers





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Labour Abuse Authority

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## Annual Report and Accounts

**1 April 2021 to 31 March 2022**

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# Foreword



**Elysia McCaffrey**  
Chief Executive Officer



**Julia Mulligan**  
Chair

The Gangmasters and Labour Abuse Authority (GLAA) is an organisation of passionate and committed people who want to improve the lives of vulnerable and exploited workers. This year we have both taken on new roles at the GLAA with Elysia joining as Chief Executive Officer in June 2021, and Julia as Board Chair in November 2021.

It is clear to us that the GLAA has been through a turbulent time in recent years, and despite the passion our employees have and the difference they make, there is a need for stability, a clear vision, and to put in place better systems and processes that will modernise and improve the way that we work.

We have an ambitious vision for the organisation, but challenges remain. Throughout the last year we have started to build the foundations for driving performance forward and ensuring we are as effective and efficient as we can be.

Our top priorities have been to:

1. develop the effectiveness of the leadership team
2. engage employees to create a positive, forward-looking culture
3. improve equality, diversity, inclusion, and wellbeing of the workforce
4. put in place action plans to improve performance in priority areas of the business and mitigate key risks
5. develop understanding of continuous improvement techniques and start to remove waste from processes
6. begin the modernisation of our systems and processes
7. improve our oversight of operational delivery and strengthen internal controls and governance.

The GLAA is a small organisation with a huge remit and expectations.

Our budget deficit has created a challenging backdrop for us, and this is likely to be an ongoing feature, so it is important for us to continue to focus on improving the efficiency of our work.

Despite these challenges, our teams have delivered some outstanding outcomes for workers including:

- helping to ensure workers coming into the UK from Ukraine are informed and supported
- publishing a new strategy to better regulate businesses in our statutory sectors, moving our inspection regime online, and introducing a new licensing system for our licence holders to manage their account and fees online
- conducting more than 300 investigations, which included securing our first modern slavery conviction of a man who played a part in exploiting a victim for 40 years
- recovering almost £79,000 of withheld holiday pay to which workers were entitled
- continuing to roll out our successful Level 1 Award in Workers' Rights and Labour Exploitation.

As we look ahead to 2022-23, our focus is to build on the foundations laid this year and to develop an excellent organisation that is modern, agile, and focused on our most important priorities:

- enhancing our understanding of labour exploitation to better inform and prioritise operational activity
- delivering an effective regulatory scheme that drives business compliance in the regulated sector and supports good practice
- supports our people to thrive in a positive, values-led culture, with a focus on inclusion and wellbeing, and to
- align our priorities with our capacity, resources, and budget.



**Elysia McCaffrey**  
Chief Executive Officer



**Julia Mulligan**  
Chair



# Performance Report: Overview

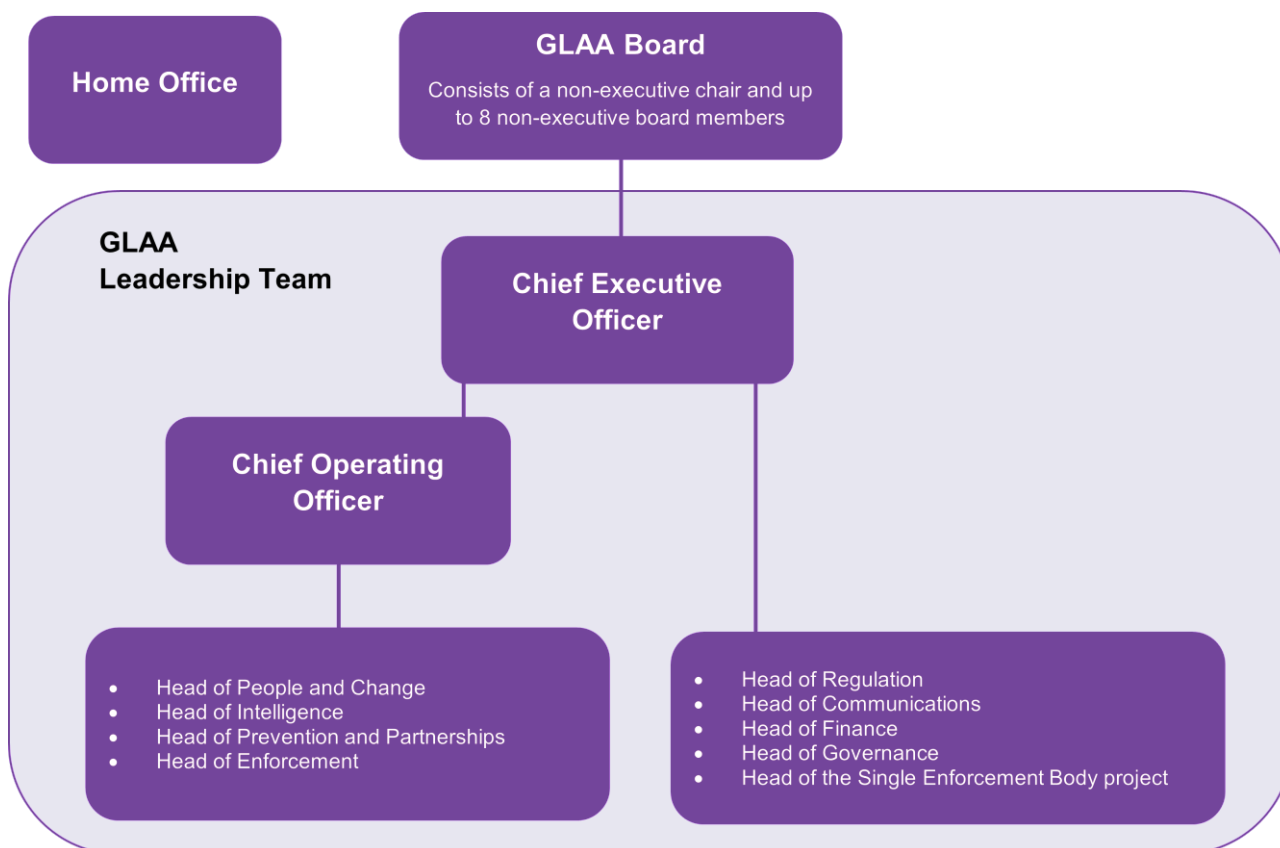
## Who we are

The GLAA is a Non-Departmental Public Body (NDPB), sponsored by the Home Office that **works in partnership to protect vulnerable and exploited workers**.

The organisation has 119 employees of which 76 per cent are operational and undertake regulation, investigation, and intelligence activities. The GLAA's Head Office is in Nottingham, but most operational colleagues are located across the UK based in four syndicate areas.

We are operationally independent and governed by our Board of non-executive directors. The Board provides scrutiny, oversight, and governance of the GLAA, assuring the work of the Chief Executive Officer and leadership team. The Board is supported in this work by its Audit and Risk Committee (ARC) and its Remuneration Committee.

We are audited regularly by the Government Internal Audit Agency (GIAA) and the National Audit Office.



**Figure 1.** The GLAA Strategic Leadership structure.

# What we do

We protect vulnerable and exploited workers in three ways:

- **Prevention** - We work with a broad range of stakeholders at local, national, and international levels to prevent worker exploitation. This work is a cornerstone of the GLAA and together with our partners, we harness our capabilities and resources to disrupt and intervene in situations where workers may be at risk of exploitation.
- **Regulation** - We regulate businesses providing workers to the fresh produce supply chain and horticulture industry, to ensure they meet the employment standards required by law. A labour provider must have a GLAA licence to work in the regulated sectors (agriculture, horticulture, food and food processing, and shellfish gathering) under the Gangmasters (Licensing) Act 2004. It is a criminal offence to supply workers without one or use an unlicensed labour provider across the UK.
- **Enforcement** - We investigate allegations of labour exploitation under the Modern Slavery Act 2015 in England and Wales. GLAA Officers can conduct civil or criminal investigations and take enforcement action. We also directly offer support to victims, as well as refer them to services provided by our partners. Although our role to regulate certain high-risk sectors is consistent across the UK, our legislative powers on modern slavery and wider labour abuses vary in Northern Ireland and Scotland.

# Who we support

Through our work we encounter a wide range of potential victims of labour exploitation and labour market offences. The severity of this exploitation varies, from issues about pay and remuneration, to serious modern-day slavery offences. To help us better understand our impact, this year we have done work to improve our identification of victims and have created three categories: economic victims, victims in unsafe conditions, and those subjected to coercion and control. Victims in all three categories are supported by the GLAA.

## Economic

The exploitation experienced by these victims often relates to their employment. This includes the non-payment of national minimum wage, the withholding of holiday pay or other elements of pay and being forced to pay for services such as personal protective equipment, work finding fees, training etc. The vast majority are identified through our compliance and enforcement activities.

### Case study: Money recovered

In this financial year, a total of £78,922.08 was recovered for workers. This was significantly more than the previous year (£14,865.26). A large proportion of this money came from two large investigations; Following a compliance inspection, approximately

£37,000 of withheld holiday pay was recovered for 519 temporary workers both in GLAA regulated and non-regulated sectors in the north-west of England. Following an application inspection this year, approximately £32,000 of accrued holiday pay was recovered for 181 temporary workers in non GLAA regulated sectors in the East Midlands. The labour provider demonstrated a change to their internal systems to ensure workers are paid any accrued holiday pay.

## Unsafe conditions

Our work often identifies victims living in unsafe accommodation, which has been provided by their employer. These individuals are also frequently exposed to unsafe working practices.

### Case Study: Operation TACIT

Operation Tacit is a multi-agency investigation into the working conditions of people employed by the owners of clothing factories and businesses in Leicester. The GLAA and partners visited over 138 factories this year, and over 500 factories since Operation TACIT began. Enforcement action has now been taken against 28 premises for issues including fire safety, breach of Covid controls, unsafe machinery, lack of running water, blocked or locked fire exits.

## Coercion and Control

Our most serious investigations involve allegations of modern slavery and severe labour exploitation. This can also include economic and unsafe conditions, but coupled with debt bondage, serious physical harm, and mental abuse. In these instances, victims often have their wages controlled by a third party and can be forced to live in dangerous accommodation as a condition of their employment.

### Case study: Operation Ropewalk

This year we secured our first prosecution for offences under the Modern Slavery Act 2015. Investigators discovered a victim who had been living for 40 years in unsafe and squalid conditions in a small shed on a caravan park. The victim described being forced to clean out stables, and tarmac, and work on roofs, on one occasion falling and sustaining serious injuries, including five broken ribs. He had also built and painted his exploiter's house. The victim was paid £10 a day.

The victim was immediately given access to medical support and referred into the National Referral Mechanism (NRM) and now lives in supported accommodation.

The victim said: "I was kept in a padlocked shed on a mattress, unable to leave unless I was told I could. I didn't run away, because I had nowhere else to go. I now go on daily walks just because I can. I enjoy long walks to the shops, watching football and have made new friends." The offenders were both arrested, and the case prosecuted.

# Our priorities and strategic objectives

The GLAA's 2020-23 strategy sets out the organisation's vision, mission, and values, to be delivered through achieving six ambitious objectives.

**Our vision:** To be a world class organisation in the fight to tackle labour exploitation

**Our mission:** Working in partnership to protect vulnerable and exploited workers

**Our values:** Integrity, respect, commitment, professionalism, and teamwork

## **Our six strategic objectives:**

- Identify and support victims of labour exploitation
- Maintain a credible licensing scheme, creating a level playing field, and promoting compliant business growth
- Work in partnership with all stakeholders to protect workers' rights and prevent labour exploitation
- Disrupt and deter criminal activity within the labour market
- Develop our people and culture in line with the authority's values, ensuring a diverse, resilient, and change-ready organisation
- Provide efficient and effective services, sound governance, robust risk management and value for money.

The three-year strategy is supported by annual business plans, which direct the in-year activities needed to meet our strategic objectives, underpinned by performance measures.

# Performance summary

## GLAA: a year in numbers

### Licensing



1,086 licence holders



18 overseas Application Inspections - up from 3 in 2020-21



197 Application Inspections tasked



9,354 workers supported through compliance activity

### Enforcement



315 investigations, of which 241 were GLAA-led



121 investigation outcomes

### Victims



6,024 potential victims identified



19 NRM referrals



30 duty to notifies



£78,922 recovered for workers

### Prevention and Engagement



250 Construction protocol signatories



257 GLAA-led events



113 Level 1 Awards in Workers' Rights and Labour Exploitation



1,300 Partnership Bulletin subscribers

### Your feedback



82% believe we're effective in promoting employment rights to workers



85% say we influence businesses to identify and prevent exploitation



75% use GLAA resources in their business

# Performance Measures

Our performance this year has been strong in some areas of the business but requires improvement in others. Action plans have been put in place to address key challenges. We are also improving our analytical capabilities to improve data capture and quality.

In 2021-22, we achieved 52 per cent of our business plan performance measures (12 out of 23).

<b>Objective one: Identify and support victims of labour exploitation</b>				
<b>Measure</b>	<b>2021-22</b>			<b>2020-21</b>
	<b>Target</b>	<b>Actual</b>	<b>Assessment</b>	
Increase the number of victims identified	8,501 (10 per cent increase)	6,024	Not Achieved	7,728
Victims have received support	50 per cent	Not known	Not known	N/A

Our performance measures focus on the number of potential victims identified and the support received outside of the NRM.<sup>1</sup> This year, we identified fewer victims compared to the previous year. Analysis suggests this was due to the reduction in compliance inspections carried out.

Moreover, due to the complexity of services beyond the NRM, we have been unable to evaluate the support received by victims from third parties. To help provide greater clarity on the support we provide to victims, work has begun to better define and measure the victims we support, which will feature in future reporting. In addition, towards the end of the financial year, we were successful in securing a Home Office grant for a new Victim Navigator role in partnership with Justice and Care, which is subject to evaluation.

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<sup>1</sup> The National Referral Mechanism (NRM) is the governments framework for identifying potential victims of modern slavery and providing them with support. Adults must consent to an NRM referral, whereas children do not. Adults who do not consent to a referral but are believed to be potential victims will be reported anonymously under a duty to notify.

**Objective two:** Have a fair, robust and customer responsive regulatory regime that prevents labour exploitation and drives compliance in the sector

Measure	2021-22			2020-21
	Target	Actual	Assessment	
Average time taken from tasking to licence decision for completion of Application Inspections (AIs)	65 working days	94 working days	Not Achieved	67 working days
Average time taken from tasking to licence decision for completion of Compliance Inspections (CIs)	155 working days	229 working days	Not Achieved	171 working days
Average time taken for licence decision times	15 working days	24 working days	Not Achieved	N/A
Per cent of licences with GLAA interventions (to be baselined in 2021-22)	N/A	3.6 per cent	N/A	N/A

This year, we did not achieve the performance measures relating to our regulatory activities. This was due to significant resourcing issues within the team, and an increase in demand and complexity, particularly from overseas applicants. In-year measures to address the pressures included reducing Help Desk hours to release resource for licencing decisions, and the temporary secondment of staff from other teams to boost capacity. This has begun to have a positive impact on the backlog and timeliness of inspections, and improvement work is ongoing.

**Objective three: Work in partnership with all stakeholders to protect workers' rights and prevent labour exploitation**

Measure	2021-22			2020-21
	Target	Actual	Assessment	
Overall engagement rate increased from 2020-21	3.86 per cent	4.2 per cent	Achieved	3.85 per cent
GLAA led events completed	20 GLAA events	257 GLAA led events	Achieved	N/A
Respondents indicating working with the GLAA has influenced their businesses	65 per cent	72.7 per cent	Achieved	N/A
Respondents indicating working with the GLAA has influenced them promoting rights	65 per cent	72.9 per cent	Achieved	N/A
Qualifications granted in high-risk sectors	50 per cent	64 per cent	Achieved	N/A

The organisation achieved all five of the performance measures relating to this measure, despite the Covid-19 pandemic, which impacted the delivery of the Qualification 'Level 1 Award Workers' Rights and Labour Exploitation'.

**Objective four: Disrupt and deter criminal activity within the labour market**

Measure	2021-22			2020-21
	Target	Actual	Assessment	
Increase on all cases led by the GLAA	419 (10 per cent increase)	246 (-35 per cent)	Not achieved	380
Increase on all cases resulting in an outcome	47 (10 per cent increase)	121 (+188 per cent)	Achieved	42
Increase on all GLAA led cases being referred to CPS	4 (20 per cent increase)	4 (+33 per cent)	Achieved	3

Two thirds of measures have been met. This year, the number of investigations led by the GLAA dropped 35 per cent compared to 2020-2021, however, this was expected as Operation TACIT, which had caused an uplift in numbers, moved on. When compared to 2019-20, the number of GLAA-led investigations rose by 8.8 per cent. The increase in cases resulting in an outcome, is clear evidence that we are using our range of powers more effectively.



**Objective five:** Develop our people and culture in line with the authority's values, ensuring a diverse, resilient, and change-ready organisation

Measure	2021-22			2020-21
	Target	Actual	Assessment	
Employees with a completed Personal and Development Review (PDR)	95 per cent	95 per cent	Achieved	N/A
Employees with a completed Performance Development Plan (PDP)	95 per cent	100 per cent	Achieved	80 per cent
Employees reporting diversity data	70 per cent	74 per cent	Achieved	N/A
Absence rate below public sector average	Below 4.4 per cent	3.1 per cent	Achieved	1.93 per cent
Employee turnover below public sector average	Below 12.4 per cent	15.97 per cent	Not Achieved	11.21 per cent
Employee satisfaction	75 per cent	71 per cent	Not Achieved	69 per cent

We made positive strides towards our goals under this objective, achieving four out of six measures. Whilst we did not achieve our target on colleagues' satisfaction, we saw improvement with a two per cent uplift in overall satisfaction reported in our People Survey.

**Objective six: Provide efficient and effective services, sound governance, robust risk management and value for money**

Measure	2021-22			2020-21
	Target	Actual	Assessment	
Positive change in risk maturity score	Level 3 'Defined'	Level 3 'Defined'	Achieved	Level 2 'Developing'
Audit score of at least moderate	Moderate	Limited	Not Achieved	Limited
Business plan objectives in progress and completed	95 per cent	88 per cent	Not Achieved	N/A
Net Expenditure Variance from forecast	5 per cent	16 per cent (Variance between outturn and period 6 forecast)	Not Achieved	0.4 per cent

Our performance measure for net expenditure variance was not achieved due to an exceptional credit of almost £1million from Home Office ICT services following challenges from the GLAA. The accuracy of the remaining forecast was maintained with a 0.35 per cent variance, which is within accounting tolerances (5 per cent target).

### Looking to the Future

As we embark on the development of a new three-year strategy, we have reflected on our current performance framework and measures. It is evident we need to do better in areas of our performance, and we are taking steps to do so.

However, we are also a small organisation, and our current goals are very ambitious. Whilst hugely committed to our cause, we must also be realistic about our capacity and resources. That is not to say improvements are not needed and we are taking steps to improve performance across the whole organisation. We are rolling out a Continuous Improvement programme, developing our employees in LEAN/Six sigma methodology, to remove waste from processes and ensure that we are delivering as efficiently as possible. We started this with the Intelligence team, which was prioritised due to high staff turnover and concerns about the effectiveness of our processes in this area.

The organisation is facing considerable financial pressures and we are committed to ensuring our limited resources are directed where they are most required. Our aim to align our priorities with our capacity, resources and budget has been set out clearly in the 2022-23 Business Plan.



**Elysia McCaffrey**  
Chief Executive Officer

# Performance Analysis

## How we delivered against our strategic objectives in 2021-22

In addition to the performance measures set out earlier in this document, we set ourselves some key business deliverables to drive performance forward.

### Objective one

#### Identify and support victims of labour exploitation

This objective is focused on ensuring that victims are properly identified and supported. The type of victim will depend upon the nature of the investigation, but our officers always seek to provide support to victims based on their individual situation. In 2021-22, we identified fewer victims compared to the previous year. Analysis suggests this was due to the reduction in compliance inspections carried out. However, we made more NRM referrals compared to the previous financial year (19 in 2021-22 compared to 10 referrals in 2020-21). Fewer duty to notify submissions were made (30 in 2021-22; 92 in 2020-21).

The vast majority of victims identified in this past year were 'economic' victims, which usually involves National Minimum Wage (NMW) breaches and holiday pay issues. The main sectors GLAA officers identified victims in were car washes, manufacturing, security, shellfish gathering and agriculture.

In 2022-23 we will focus on improving and developing our intelligence capability, allowing us to prioritise cases and investigations more effectively.

Key deliverables	
What we said we would do	What we achieved
A written review of reporting routes of victims, public and industry to ensure workers and businesses can access GLAA support and the demand can be effectively managed.	Reporting routes into the GLAA were identified, and work to map referral routes into victim support organisations was also initiated this year but a formal written review was not undertaken. This work will be built upon by the new Victim Navigator from Justice and Care who is working with the GLAA in the next financial year and will be focused on improving victim support.
Using strategic and tactical analysis to develop a plan to look proactively for communities vulnerable to labour exploitation and ways that victims are	Due to competing priorities and resourcing issues, we did not make substantial progress on this work. We will focus on improving our intelligence and analytical capability in the next financial year.

What we said we would do	What we achieved
<p>abused and exploited. Have mechanisms to capture, record and evaluate outcomes for victims through GLAA interactions.</p>	
<p>Building on intelligence and academic research, fully understand the impact of Covid-19 restrictions and transitioning beyond restrictions on vulnerable workers to inform operational practices.</p>	<p>In December 2021, we published a strategic assessment that considered potential impacts of Covid-19 on high-risk sectors. In Spring 2021, we took part in Operation Aidant, which focused on the impact of the pandemic. This highlighted significant gaps in recruitment and pressures on the UK labour market. Researchers from the University of Nottingham's Rights Lab presented at two GLAA Labour User, Labour Provider forums, which covered the impact on warehousing and HGV drivers, and the risks of exploitation for vulnerable migrant workers in the UK during Covid-19. We will support future work undertaken by the Office of the Director of Labour Market Enforcement. A lessons learned review on how we responded internally to Covid-19 was also undertaken in 2021-22, which was reported to the GLAA Board.</p>
<p>Where NRM is not suitable, ensure victim needs are met through GLAA work or work with partners, and develop stronger links with Non-Government Organisations (NGOs) to ensure victims have appropriate support. Build partnerships with employers to support stable employment for workers e.g. bright futures. Evaluation of the effectiveness of our engagement initiatives in increasing awareness of labour exploitation and victim identification, including the impact of Op TACIT.</p>	<p>Partnerships with NGOs and third sector organisations were developed through our Worker/NGO liaison group – attendance increased by 28 per cent this year. The diversity of this group has also been expanded to ensure the worker voice and victim care are represented.</p> <p>We were successful in securing a Home Office grant to fund a Victim Navigator pilot with Justice and Care. This pilot will commence in 2022-23. Syndicate teams have also started to map victim services in their areas to better understand what is available. A lessons learned review of Operation TACIT was carried out to understand the effectiveness of our engagement initiatives. This highlighted the value of multi-agency working, which we continue to champion.</p>
<p>Comprehensive quality updates on the work of the GLAA through various media platforms, promoting successful cases through engagement initiatives to demonstrate the positive impacts of the GLAA.</p>	<p>We produced more than 40 press releases during 2021-22 and contributed to many more published by partner agencies such as police forces, NGOs and other government agencies. Our communications and engagement activity was amplified using social media and other online platforms. This messaging focused on helping workers understand what exploitation</p>

What we said we would do	What we achieved
<p>Deliver messaging to clarify how workers can get support ensuring there is common language on key terms such as 'victim' and 'labour exploitation'.</p>	<p>looks like, how to spot it and prevent it. In addition, we have also held several webinars and other online events.</p>
<p>Training for partners to give a rounder picture on the work of the GLAA and how it supports workers and victims.</p>	<p>We delivered various training workshops focused on what we do and how we support workers and victims of labour exploitation. In Q4 we co-delivered four workshops with Focus of Labour Exploitation as part of a Home Office modern slavery funded project. The workshops were delivered to community based organisations that support or provide services to vulnerable workers across the UK. The aim of the sessions was to improve understanding of the complexity of labour exploitation and promote the work of the GLAA. Training to partners will continue to be an important part of our prevention work and we are focused on both building existing relationships and establishing new networks.</p>

## Objective two

Have a fair, robust and customer responsive regulatory regime that prevents labour exploitation and drives compliance in the sector

This objective focused on the effective delivery of our work as a regulator. In July 2021 we launched a new [Compliance Strategy](#), which introduced a new way of delivering some of our regulatory functions. The strategy commits us to:

- increasing the volume of compliance inspections
- taking a risk-based approach to inspections
- ensuring we deploy our resources to the greatest areas of risk, and
- carrying out application inspections virtually to improve and speed up the licence application process.

In 2021-22 there were 197 Application Inspections (AIs) tasked, this is compared to 183 in 2020-21. There was also an increase in the number of applications received from businesses based overseas (18 compared to three applications in the previous year). This was thought to be a result of the extension of the Seasonal Workers Pilot Scheme. This increased demand impacted our ability to carry out Compliance Inspections (CIs) – 61 new CIs were tasked in 2021-22, this is compared to 83 in 2020-21. Nevertheless, our compliance team targeted the most high-risk businesses where there is clear evidence of worker exploitation.

In 2022-23, the delivery of the compliance strategy will be a key focus for the GLAA.

We will also build upon the work we have started to support enforcement colleagues in UK Visas and Immigration to identify potential worker exploitation occurring in the Seasonal Worker Pilot Scheme. The scheme has a global reach which brings with it the potential for exploitation, so addressing high-risk issues before workers arrive, is key to success.

Key deliverables	
What we said we would do	What we achieved
A new compliance strategy which focuses on improving our use of resources in compliance work to meet obligations in a timely manner.	Following stakeholder consultation in 2020-21, we developed a Compliance Strategy, which was published in July 2021. To support the delivery of this strategy an internal implementation plan has also been developed. The delivery of the plan is being monitored by the Programme Board chaired by the GLAA's CEO.
Proactive initiatives to raise awareness of labour abuse and modern slavery in the regulated sector and to liaise with licence	This year 10 GLAA Briefs provided information and guidance to labour providers in the regulated sector. The briefs were published on our website, as well as being emailed to GLAA licence holders. Brief 70 in

What we said we would do	What we achieved
<p>holders across the UK to ensure that licences are renewed on time.</p>	<p>particular, supported licence holders with our new online system, which was introduced in May 2021. This was a major step forward, involving the launch of a new portal, the Gangmasters Licensing Application Submission System (GLASS). By introducing GLASS, the organisation wanted the renewal process to be quicker and easier for licence holders, enabling them to view their licence record details and pay renewal fees online.</p>
<p>A new process to enable early identification of non-compliance in the sector to trigger potential compliance response activity.</p>	<p>Due to capacity and resourcing pressures in the intelligence team and the need to prioritise business as usual activities, this new initiative was not started. Through the delivery of our compliance strategy in 2022-23, we will prioritise compliance inspections where capacity allows.</p>
<p>Labour User/Labour Provider and Worker/NGO group meetings which are more accessible and inclusive including using digital platforms and assist consultation.</p>	<p>Both the Labour User/Labour Provider (LU/LP) and Worker/NGO liaison group meetings continued to be hosted on Microsoft Teams. This led to an increase in the number and diversity of attendees, with over 100 taking part in the LU/LP meetings and attendance at the Worker/NGO group increasing to over 42 organisations, up from 22 last year. A joint LU/LP and Worker/NGO meeting also took place in March 2022. Over 100 attended and feedback was generally very positive; comments included “Excellent event - really informative and very useful” and “Excellent speakers very informative heightened awareness that this is still happening in many industries”.</p>
<p>Measurable increase in compliance within the Poultry industry (through collaborative working).</p>	<p>During 2021-22 we delivered a series of three workshops as part of a wider training program provided by Poultec. Attendees were from a range of poultry companies across the UK including national corporations, independent farms, and independent catchers.</p> <p>The workshops had three objectives; to give the attendees an understanding of the Modern Slavery Act 2015 and the Gangmasters (Licencing) Act 2004, advice on spotting the signs of labour abuse and guidance on supporting potential victims. Their success led to the GLAA delivering an additional session in February 2022.</p> <p>Despite this activity, it was not possible to measure an increase in compliance within the poultry industry.</p>

What we said we would do	What we achieved
<p>A review of how licensing operates in the shellfish sector.</p>	<p>Although a formal review was not published, the Head of Enforcement produced an internal report on the GLAA's response in the shellfish sector. This included how the GLAA responds to reports of modern slavery, labour exploitation and unlicensed gangmaster activity in the shellfish sector. This year, the GLAA also worked in partnership with key stakeholders undertaking five months of GLAA-led activity – Operation Sewn. This involved GLAA officers working with the Inshore Fisheries Conservation Authority, to carry out regular joint patrols between August and December 2021 in the north-east coast of the UK, primarily covering an area of coastline from Redcar to Filey. This activity will be used as a case study to inform the GLAA national approach to the shellfish sector.</p>
<p>Building on the regulatory framework, support GLAA Prevention team in the identification of sectors that could be influenced towards compliance without statutory regulation.</p>	<p>During 2021-22 the GLAA continued to support the voluntary accreditation initiative, developed through the Responsible Car Wash Scheme (RCWS). This scheme had received additional funding in October 2021 to pilot further interventions. Due to Covid-19, and the closure of hand car washes, which did not re-open until April 2021, the pilot was delayed. Supported by Nottingham Trent University (NTU), the pilot tested different interventions in different locations. In Slough, RCWS worked with the local authority, whereas in Luton RCWS operated alone. In Hillingdon, the GLAA tested pressure exerted on landowners with car washes on site, and in Watford the sector was monitored for change without RCWS or GLAA intervention.</p> <p>Part of the NTU's role was to evaluate the pilot, but also to help secure further funding from the Home Office Prevention fund for further tests in Leicester, Norwich, and Ipswich. This is being evaluated and is currently the only sector where a form of voluntary accreditation/licensing is being assessed.</p>



## Objective three

### Work in partnership with all stakeholders to protect workers' rights and prevent labour exploitation

Prevention is a key part of our strategy to reduce the risk of workers being exploited across the UK. Throughout the year we have worked with a broad range of stakeholders at the international, national, and local levels to deliver prevention and early intervention activities.

We have continued to use communications and engagement activity to amplify our prevention agenda. We do this both through broad, mass audience messaging focused on awareness of labour exploitation, and targeted activity supporting specific sectors and themes. In March 2022, Chief Executive Elysia McCaffrey wrote an opinion piece outlining the authority's commitment to support Ukrainian nationals arriving in the UK and warning those seeking to profit from the crisis by exploiting vulnerable workers. Used as an op-ed by a number of trade publications, the article emphasised the key role that colleagues have played not only in delivering humanitarian aid to refugees crossing the border into Poland, but also in volunteering to support the government working to aid Ukrainians coming to the UK.

In 2022-23, we will continue to build constructive relationships across the public, private and third sectors to influence change, advance knowledge and promote awareness around the issue of preventing labour exploitation.

Key deliverables	
What we said we would do	What we achieved
A prevention plan to mainstream prevention activity within the GLAA, supporting business to embed prevention into their core policies and practices.	The Approach to Prevention 2021-23 plan was agreed by the Leadership Team along with terms of reference for a new Prevention Working Group. This year two task and finish subgroups focused on developing a corporate prevention presentation and a dedicated internal intranet page to support colleagues to embed prevention into their work. The Prevention Working Group has representation from across the organisation and has met four times since being established in July 2021. New starters are routinely invited to attend the Group to observe as part of their induction. The Approach to Prevention plan and the Prevention Working Group aims to further embed prevention into core activities.
Accessible trend analysis on high risk and emerging sectors, providing intelligence gaps and using digital platforms and quality digital events to share trend data and resources with	Due to resource capacity, the intelligence team has not updated their annual assessment. However, they have produced 12 high-risk sector dashboards giving a general overview of the intelligence picture in those sectors. These dashboards have been made available for sharing with partner agencies. In 2022-

What we said we would do	What we achieved
<p>stakeholders and enable engagement with identified key communities, Small and Medium Enterprises (SME) and SME trade associations.</p>	<p>23 our analytical capability will be bolstered, which will enable us to produce the annual assessment.</p>
<p>Engagement with stakeholders to identify their issues/risks/barriers which interfere with preventing labour exploitation and use this information to help develop content for GLAA event themes.</p>	<p>The GLAA engages with a diverse range of stakeholders across the UK and internationally through many informal and formal networks and partnerships. Formal stakeholder engagement remains positive. Two examples of this are outlined below.</p> <ul style="list-style-type: none"> <li>• The organisation has grown its' reach with public, private and third sectors through two established stakeholder groups: the LU/LP liaison group and Worker/NGO liaison group. This was evident from the 100 attendees at the Joint liaison group webinar in March 2022. Feedback from this session was both positive and constructive.</li> <li>• GLAA Construction Protocol Signatories were invited to complete a short online survey to help the organisation understand how members have benefited from participating in the protocol. This included what barriers to engagement they have identified. More than 80 per cent of respondents said the GLAA has been successful in influencing businesses to identify and prevent exploitation within their supply chains. This has informed how we can make the protocol effective and meaningful for Signatories. At the end of 2021-22, there were 273 Signatories to the protocol.</li> </ul>
<p>Themed/focused digital events with the Employment Agency Standards Inspectorate (EAS), NMW team and the Advisory Conciliation and Arbitration Service used to capture impacts of joint working with the GLAA on how business has changed in their practices and procedures to reduce risks of exploitation for workers.</p>	<p>This financial year, the GLAA co-hosted a webinar with NMW and EAS, to raise awareness of the importance of being a compliant business, ensuring workers are treated fairly and legally in respect of their working conditions and pay. This unified approach enabled the GLAA to reach a wider audience and deliver a strong coordinated message. This was evident by 100 per cent of respondents stating that they found the content of the webinar useful and as a result they felt more confident about where to find information and support from the three labour market enforcement bodies. 100 per cent of respondents also said they would attend future joint</p>

What we said we would do	What we achieved
	sessions. Four joint webinars with NMW and EAS are scheduled for 2022-23.
Development of a library of these business change case studies and sharing with business to demonstrate the impact of working with the GLAA on worker welfare.	Regular meetings between the GLAA Head of Communications and peers at EAS and NMW have built cohesion around the areas of mutual interest, along with exploring opportunities for amplifying respective messaging for each agency. Examples of partnership working include taking part in webinars to promote prevention work around workers' rights, production of GLAA podcasts with EAS, NMW and other agency contribution aimed at car wash operators and workers. <sup>2</sup> The GLAA participated in a series of multi-agency workshops with fellow law enforcement bodies to identify how objectives can be consolidated to tie in with priorities agreed at the joint Organised Immigration Crime and modern slavery and human trafficking Strategic Governance Group and developed to identify joint thematic areas.
Roll out the GLAA qualification, monitor and report who in which sector has undergone training with a view to understanding the impact of this pilot.	During 2021-22 an evaluation of the Level 1 Award in Workers' Rights and Labour Exploitation has been completed and published by the University of Nottingham. This indicated the qualification may play an important role in increasing self-efficacy of workers to act on labour rights. At year end, there were 24 providers approved to deliver the qualification. Covid-19 and funding have been barriers to the roll out of the qualification. However, at year end there have been 350 registrations and 113 qualifications completed. For instance, the Shama Women's Centre in Leicester delivered the qualification to women attending their centre, many of whom work in the textile sector and are particularly vulnerable to labour exploitation due to the various barriers they face. Through working with the Centre, the GLAA has built a pathway where local women can access the Workers' Rights and Labour Exploitation Award and undertake it with the support of the Centre's staff and volunteers.
Prevention initiatives within regional areas in line with the GLAA prevention strategy, such as delivering training and awareness raising sessions, engaging with workers and	<p>The GLAA has delivered a range of prevention initiatives in 2021-22, including the delivery of 257 GLAA-led events. Two other prevention initiatives are included below.</p> <ul style="list-style-type: none"> <li>• In the construction sector, the GLAA supported Kier, a major UK construction firm, to train</li> </ul>

<sup>2</sup> GLAA podcasts available online: [www.gla.gov.uk/publications/resources/podcast-know-your-rights/](http://www.gla.gov.uk/publications/resources/podcast-know-your-rights/)

What we said we would do	What we achieved
<p>business regarding spotting the signs and raising awareness of worker rights.</p>	<p>hundreds of their mental health first aiders to understand the issues of modern slavery and labour abuse in the workplace. By being aware of the signs of exploitation in the wider construction industry, their staff can now identify potential abuse and signpost individuals to help and advice. This work is simple to replicate and was shared with the GLAA Construction Protocol Signatories and through other channels.</p> <ul style="list-style-type: none"> <li>• Training on how to spot the signs of labour exploitation was delivered to frontline employees at the University of Nottingham to mark Anti-Slavery Day. Attendees listened to a one-hour presentation covering everything from an introduction to the GLAA, the ways in which slavery and exploitation may manifest on campus, and how to respond to potential cases. A question-and-answer session was held at the end of the event and all participants received handouts containing further information on some of the indicators of exploitation and contact details to report suspicions.</li> </ul>
<p>A report to the GLAA Board on the evaluation of the effectiveness and impact of prevent initiatives and protocols, supporting industry in taking lead for protocols into the sector.</p>	<p>Although no specific report has been produced, all prevention and stakeholder initiatives are reported to the GLAA Board by the Head of Prevention and Partnerships and Head of Communications in a standing agenda item.</p>

## Objective four

### Disrupt and deter criminal activity within the labour market

Investigations and the use of our different powers allow us to disrupt criminal activity and prevent exploitation. Although we conducted fewer investigations in 2021-22 compared to the previous year, the GLAA achieved a significant increase in the number of cases that led to an outcome.<sup>3</sup> Examples include using Slavery and Trafficking Risk/Prevention Orders (STRO and STPOs) to disrupt potential criminal activity and protect vulnerable workers. If a person is found to have breached the conditions of these orders, they could face time in prison.

In 2022-23, we intend to build on the success of the use of enforcement tools such as STRO and STPOs to protect vulnerable and exploited workers. We also intend to improve our intelligence analysis to identify and target trends, hotspots and those who perpetrate and facilitate labour exploitation.

Key deliverables	
What we said we would do	What we achieved
An annual strategic assessment of the nature and scale of labour exploitation to inform future planning and contribute to the activities of key partners, including the Director of Labour Market Enforcement's strategy.	An annual Strategic Assessment was published by the GLAA in December 2021. The assessment provides an overview of significant risk, threat and harm issues impacting on the GLAA.
A paper to the Board on the evaluation of the effectiveness of the GLAA's current range of powers, orders and sanctions to prevent labour exploitation, such as the wider Police and Criminal Evidence Act 1984 (PACE) and Proceeds of Crime Act 2002 (POCA) powers currently available, and review investigative outcomes, enabling the development of a consistent enforcement approach throughout the UK.	The Head of Enforcement has led work to evaluate the effectiveness of the GLAA's range of powers, orders, and sanctions. The organisation has embedded disruption reporting from the National Crime Agency (NCA) to better understand the impacts of disruption sanctions. A library of enforcement notices has been updated. However, this work has not been formally captured in a written report to the Board. This is an ongoing piece of work for the organisation to better understand the impact of our enforcement activity on the identification of potential victims and the prevention of labour exploitation.
Working with the NCA use the Agency and Partner Management Information System (APMIS) to develop, capture and report performance	Work has taken place with the NCA and other enforcement partners to capture GLAA disruption data. One year of data has been uploaded onto APMIS. A moderation panel is in place through an internal Tasking and Coordination group. The focus

<sup>3</sup> Outcomes can be found on the GLAA website: [Conviction Totals - GLAA](#)

What we said we would do	What we achieved
measures on GLAA disruption activity.	for 2022-23 is to improve internal processes for recording data and get access to APMIS to input data directly.
Rebuilt and embedded financial intelligence resources within the investigation capability to improve the operational capability of the GLAA operational function.	The GLAA now has eight accredited Financial Intelligence Officers. A Financial Investigation Working Group has been established and is chaired by a Senior Investigating Officer and a subject matter expert. Additional software is in place to provide those trained officers with more capability to add value to our criminal investigations where money may be involved. A review of this approach will take place in 2022-23.
Development of a lessons learnt document for Op TACIT to inform partnership working and collaborative disruption tactics.	<p>Operation TACIT is a multi-agency taskforce led by the GLAA in response to the allegations of modern slavery within the Leicester garment industry, which started in August 2020 and continued in 2021-22. Operation TACIT used engagement visits, supported prevention activity, built key relationships, investigated operators, executed search warrants, and deployed multi-agency enforcement teams into another 138 factories this year. To date over 500 factories have been visited. The GLAA has identified a further 436 potential victims of exploitative practices, such as not receiving the National Minimum Wage.</p> <p>The GLAA completed lessons learned from Operation TACIT from the organisation's own perspective. This was fed into an initial lessons learned exercise undertaken by the Department for Business, Energy and Industry Strategy through 2021-22. Working arrangements established through Operation TACIT have been agreed as best practice and have been adopted in high-risk sectors. In 2022-23 the GLAA will continue to work with partners to finalise the enforcement phase of Operation TACIT.</p>
Provide appropriate information and input for magistrates and the judiciary to give a rounder picture on the work of the GLAA and how it supports workers and victims.	This deliverable has not been achieved due to capacity pressures on the enforcement team preventing them from starting a new complex project. Given the ongoing delays and challenges within the UK legal system, we expect this work will not be progressed in 2022-23.

## Objective five

### Develop our people and culture in line with the authority's values, ensuring a diverse, resilient, and change-ready organisation

The principal tool used to evaluate progress against objective five is our annual people survey. Engagement in 2021-22 was high, with 73 per cent of employees responding. An overall satisfaction rating of 71 per cent across all questions was reported – up 2 per cent from the previous survey. Notably, there were some significant increases year on year in the scores against wellbeing and equality, diversity, and inclusion.

The survey also evidenced that our approach towards working practices and health and safety during the Covid-19 pandemic have been very positive. We continue to encourage a positive work-life balance.

A wellbeing group attended by the Mental Health First Aiders was set up in September 2021 to raise the profile and reduce the stigma surrounding mental health. Since its inception, the group has updated the GLAA Mental Health policy, signed up to the Mental Health at Work commitment and led on a variety of initiatives. This has included 'time to talk' for all employees, a presentation by the Charity for Civil Servants, and articles and videos from employees about their own experiences, all of which have been very positively received. There was a 12 per cent increase on employees reporting a positive response to wellbeing compared to the previous year.

A driver of change has been the personal leadership provided by the Chief Executive Officer, who has promoted a more open and inclusive culture by providing opportunities for feedback and engagement with all colleagues, to share their views, knowledge, and ideas.

In 2022-23 our priority is to foster a culture change to build a healthy, safe, and inclusive working environment in which all colleagues feel supported and valued.

Key deliverables	
What we said we would do	What we achieved
Talent management and succession planning strategy to inform workforce planning.	During this year a new 'Role Matrix' was developed with each Head of Function. Through this process, all roles have been assessed in terms of business criticality and impact, including an assessment of tipping points. The work has also involved analysing whether a role is essential, or if alternatives can be realistically considered.
Facilitation of cross department project work to promote development and assist where functions have lower capacity or projects have been identified to support the aims of GLAA.	The new PDR system now encourages cross departmental working. Some was already in place, where there are known interdependencies. In the longer term, training needs analysis and subsequent development plans for further and more formalised sharing of resource will be in place, to enhance resilience and colleagues' development. Further work

What we said we would do	What we achieved
	is required to roll this out across the organisation as standard.
An effective PDR for everyone, with a focus on normalising performance conversations whether task or behaviour based, ensuring everyone understands their responsibility to live the GLAA's values.	A new PDR process was put in place in April 2021. All managers and employees have been trained in its use. The process has proven to be more meaningful, with a far more realistic spread of performance ratings across the organisation. There are improvements to be made, but this has generally been a smooth process.
Enhancing a one team approach linking closely to PDR through risk and performance to build resilient workforce and consciously getting people engaged and working more closely with other teams and functions. Everyone has a meaningful PDP that is reviewed every three months to ensure all appropriate development and training is provided.	This year progress has been made in several areas including cross functional working and encouraging engagement beyond established team structures. For the first time, there was a 100 per cent response rate for PDPs and a significant increase in investment (£70,000 in 2021-22, up from £20,000 in 2020-21). on learning and development across the organisation.
A robust, open embedded and transparent bonus scheme linked to PDR to recognise and acknowledge individual performance and develop a reward and recognition scheme in consultation with colleagues.	This year, we introduced a flat-rate bonus for all eligible colleagues for the performance year 2021-22. This was done to embed and build confidence in the new PDR process, with a view to implement variable bonus payments next year.
A people plan to include an action plan for Equality, Diversity & Inclusion (EDI), and rollout of a wider training plan on Equality & Diversity for leadership and wider GLAA. Promoting greater diversity through recruitment practices.	There has been an area of significant improvement with the People Survey results showing seven per cent improvement in relevant scores. Feedback is also very positive about the work being done in this area. EDI workshops were delivered to all employees in Autumn 2021 and a new EDI policy was approved and launched in April 2022.
Analysis of the outcomes of all people processes for diversity monitoring and exploration of any disproportionate impacts	We have analysed the available data within HR processes and provided information to the Board as part of the six-monthly report. No significant disproportionate impacts have been identified but analysis and monitoring will continue.
An ongoing timely and cyclical review of HR policies.	A number of critical policies have been written and updated and work remains ongoing. However, a full



What we said we would do	What we achieved
	review of the Policy Review Schedule will continue on a risk assessed basis.
Significant enhancement of contingent of Mental Health first aiders and evaluation of effectiveness through contacts developing more outcome and impact measures to report on.	The Mental Health First Aid Support policy was approved in March 2022. A new wellbeing committee was formed this year and will actively work towards the Mental Health First Aid at work commitment in 2022-23. In the annual People Survey there was a 12 per cent increase reported on positive wellbeing compared to the 2020-21. This improvement demonstrates the positive work in this area. Ongoing activity to continue to monitor and improve wellbeing at the GLAA will continue. Original objectives have been significantly exceeded.

## Objective six

### Provide efficient and effective services, sound governance, robust risk management and value for money

In 2021-22, we have focused on improving risk maturity, which is assessed to have moved up from level 2 – developing in 2020-21, to level 3 – defined. There is a more consistent approach to risk management and improvements have been made in raising the awareness of risk and risk management at all levels of the organisation. Risk continues to be a significant driver in decision making. In 2022-23 work will continue to formalise and embed the maturity assessment further.

Progress towards strengthening our governance and assurance processes has been significant this year, but it will take time for this work to have a measurable impact. We have focused on defining the three lines of defence across the organisation to improve assurance. The work completed throughout this year has been acknowledged by our internal auditors, the GIAA as positive.

This year, our compliance function was subjected to its first second line internal review and the recommendations that are now being progressed. In January 2022, the Board approved an internal review plan which supports the GIAA's third line assurance programme.

The GLAA's funding has reduced in real terms over recent years and the organisation starts 2022-23 with a revenue budget deficit of £500,000. This was created by a range of cost pressures over recent years, such as pension increases, pay awards, inflation on contracts, increase in office accommodation and ICT recharges. This equates to around six per cent of the GLAA's revenue budget, which will need to be addressed through savings, income and efficiencies.

In the next financial year, we will focus on continuous improvement and the development of a new Target Operating Model. We are clear that we must identify opportunities to streamline processes, increase efficiencies and maximise the effectiveness of our resources.

Key deliverables	
What we said we would do	What we achieved
Systems and processes to deliver the intelligence led activity as efficiently and effectively as is possible within the resource constraints and workload and improved working practices for the target field operation model.	This work was not achieved for a number of reasons including capacity and turnover within the intelligence team. During this year, there were also significant interdependencies related to IT. However, this work will be taken forward in 2022-23, managed through the new Programme Board, chaired by the CEO. The high-level IT requirements for intelligence including case management and file preparation have been defined and will inform the next stage to procure new business infrastructure.

What we said we would do	What we achieved
<p>Embedded performance, risk and cost management as one decision making process through all levels of assurance to improve our understanding and visibility efficiencies of resources and costs to support a sustainable budget by March 2022.</p>	<p>The GLAA captures key performance activities that relate to the delivery of our business plan. However, costing these activities is not currently possible as we do not capture working time directive level data. Performance and risk have been embedded to support decision making. For example, in People Board, considerations on approval of recruitment have been linked to impacts on performance. Work has also started on the development of a new target operating model, informed by the risk, performance, and cost profile for the organisation. This will be developed further in 2022-23. Financial challenges are discussed at our Board meetings, which provides the leadership team with context for decision making. This has supported the target operating model work and informed the 2022-23 Business Plan.</p>
<p>Increasingly mature risk management within the GLAA and a separate IT risk register, to maintain focus on key risks, supporting the Board in effective oversight and management of GLAA risk.</p>	<p>The organisation has matured in its approach to risk management. Fortnightly discussions on risk management at leadership team meetings have helped increase the profile and understanding of risk throughout the organisation. There is a separate IT risk register and the process of scrutinising risks is working well. Our Board has also seen significant change, with the appointment of a new chair and non-executive directors. As a result, we decided to reschedule the planned assessment of risk management to allow new Board members to familiarise themselves with the organisation. The GLAA is also looking to independently verify the risk maturity in 2022-23.</p>
<p>A governance action plan to address assurance processes, including the development of an assurance map and scheme of delegation for all teams in a staggered approach. Redefine the governance meetings and attendance to support the three lines of defence model, leading to an improvement in internal audit scores, to at least moderate.</p>	<p>All governance meetings have been redefined and mapped to ensure our three lines of defence are effective. Assurance has also been included in relevant terms of reference. Through the governance action plan, we have identified first line controls and where there are weaknesses. Further progress has been made to document first line controls through the standard operating procedures (SOPs) and one second line review has been carried out on compliance. Second line controls have also been identified in licensing. Second line internal reviews have been agreed through ARC for 2022-23.</p>
<p>The first draft of the Annual Report and Accounts completed before July 2021 and interim business plan assessments</p>	<p>The first draft of the Annual Report and Accounts (ARA) was completed and circulated in July 2021. However, the ARA was not signed off until January 2022. A lessons learned exercise was undertaken in</p>

What we said we would do	What we achieved
<p>throughout the year to support this process. Alignment of all strategic processes and interim reviews of the business plan at relevant meetings.</p>	<p>Q4 to improve processes and achieve earlier approval of the 2021-22 ARA. A project plan has been developed and agreed and a working group established. The business plan was assessed quarterly to inform progress against each objective. Further improvements will be made in 2022-23 on assurance and executive oversight.</p>
<p>An IT strategy with core GLAA IT systems to be integrated to support a more efficient workflow in the organisation. Building on this, an efficiencies road map of key processes to be streamlined.</p>	<p>This was not achieved. IT efficiencies were identified in Q1 as part of a scoping exercise. However, this has not been developed into a strategy and instead the GLAA adopted the Home Office IT strategy, but this has not been fully implemented. This has been due to limited project assurance and management. Going into 2022-23 this will be managed through the Programme Board, chaired by the CEO.</p>



**Elysia McCaffrey**  
 Chief Executive Officer  
 25 November 2022

# Accountability Report

## Corporate Governance Report

### The Director's Report

#### Senior Management Team

Declarations of interest for the Senior Management Team are recorded on page 62. These are disclosed for transparency and in case of conflict with their GLAA management responsibilities.

The composition of the Senior Management Team is identified under the Remuneration and Staff Report on page 48 and comprises of the Chief Operating Officer (COO) and Chief Executive Officer.

Also, on pages 49 to 51, under the Remuneration and Staff Report, there is a register of Board member directorships and significant interests. A public register of interests for Board members is held, and this may be accessed via the GLAA's website at [www.gla.gov.uk](http://www.gla.gov.uk).

#### Financial position

The Statement of Comprehensive Net Expenditure for the year ended 31 March 2022 on page 71 shows a deficit of £6,266,000 (£6,226,000 2020-21).

This deficit reflects the fact that, for the purposes of financial reporting, the Grant-in-Aid (GIA) does not form part of the GLAA's income. It is accounted for in the Financial Statements within the Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022 on page 74.

#### Pension arrangements

Pension arrangements for the GLAA are provided through the Civil Service Pension Scheme. Further details can be found within the Remuneration and Staff Report on pages 48 to 62.

#### Payment policy

The Government commitment is to pay 90 per cent of undisputed and valid invoices from SMEs within five days and 100 per cent of all undisputed and valid invoices to be paid within 30 days. Government departments are required to report their performance against these payment targets on a quarterly basis on GOV.UK.

Through the Public Contract Regulations 2015, public sector buyers must include 30-day payment terms in new public sector contracts; and require that this payment term be passed down the supply chain. Public sector buyers must also publish annual reports on their payment performance.

For 2021-22, the GLAA achieved an average payment time of 5.90 days (5.91 days in 2020-21).

## Complaints procedure

The GLAA has an established Complaints Policy and Procedure<sup>4</sup>. All formal complaints are dealt with by the Governance team and are responded to in writing. If the complainant is dissatisfied, they can write to the GLAA's CEO for a review of their complaint.

If they are still dissatisfied, they can refer the matter to the Parliamentary and Health Service Ombudsman (PHSO), who investigate complaints about maladministration or service failure on the part of the GLAA.

As part of the oversight of the enforcement powers granted to the GLAA from 2017, its use of them comes under the remit of the Independent Office for Police Conduct (IOPC). Any abuse of the GLAA's authorised PACE powers can therefore result in a complaint being sent to the IOPC, who then determine how that complaint should be dealt with in accordance with the GLAA (Complaints and Misconduct) Regulations 2017<sup>5</sup>. To date there have been no cases referred to the IOPC, which gives the GLAA confidence in its operations of its wider investigative powers.

In 2021-22 the GLAA received 10 formal complaints. Of those 10 complaints, one was withdrawn. Seven of the 10 complaints received related to licensing, and either regarded a late renewal or the time taken to make a decision on their licence application. Two complaints were referred to the CEO for review.

No complaints received in 2021-22 were referred to the PHSO (none 2020-21).

## Freedom of Information Act

Under the Freedom of Information Act 2000 (FOI Act), anybody may request information from a public authority which has functions in England, Wales and/or Northern Ireland. The FOI Act requires that all requests are in writing (this does include emails), stating clearly what information is required with the name of the applicant and an address for correspondence. The GLAA provides guidance on how it handles FOI requests in the External Communications Policy.

In 2021-22 the GLAA received 45 requests under the FOI Act (30 requests in 2020-21). These mainly concerned investigations and operations in relation to licensing and labour exploitation, as well as corporate FOIs relating to HR, IT and finance. Eighty-nine per cent

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<sup>4</sup> [www.gla.gov.uk/who-we-are/complaints/](http://www.gla.gov.uk/who-we-are/complaints/)

<sup>5</sup> <http://www.legislation.gov.uk/uksi/2017/521/contents/made>

of responses were provided inside the stipulated 20-day period. Where there were delays this was generally due to resource constraints.

Published FOIs can be found on the GLAA website.<sup>6</sup>

## Equality, Diversity and Inclusion

Building on the progress made by the EDI group, established in November 2020, there was significant activity in this space during 2021-22. An EDI page on the organisation's intranet Morecambe was set up, which includes extensive content on a variety of topics and is regularly updated. A new comprehensive EDI policy was consulted on extensively and rolled out in April 2022. All employees participated in EDI training delivered by external Employment Lawyers, which was extremely well received, and used case law and real-life scenarios to really embed the learning and build on the mandated Civil Service e-learning.

A variety of activities have been delivered by the EDI champions, including quizzes, guest speakers, webinars, videos by employees, Q&A sessions and workshops. EDI champions also undertook initiatives such as support for Pride through rainbow badges and lanyards available to all employees. The GLAA has committed to being a Disability Confident employer, which means offering a guaranteed interview scheme, and going over and above the legal requirements in respect of adjustments and support for all colleagues with a long-term condition or disability. During the reporting year, the disclosure for diversity data rose significantly, and is now at 74 per cent, exceeding the target.

## Environmental sustainability

The Home Office reports on the GLAA as an NDPB as part of its environmental and sustainability reporting<sup>7</sup>. This is reported under two main strands. They are:

- The Greening Government Commitments, including sustainable procurement; and
- The United Nations Sustainable Development Goals.

In 2021-22, we remained responsive to the ongoing challenges posed by the Covid-19 pandemic. The majority of colleagues continued to work from home and where possible office-based colleagues were encouraged to split their time between the office and home. This hybrid working model, was supported by an office restructure instigated in March 2022 to create a more flexible working environment.

In 2021-22, we also reviewed our travel policy to encourage colleagues to be mindful to minimize the cost of travel and to choose the most environmentally friendly methods of travel where possible.

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<sup>6</sup> <https://www.gla.gov.uk/whats-new/freedom-of-information-requests/foi-requests/>

<sup>7</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1000127/HO\\_Annual\\_Report\\_and\\_Accounts\\_2020-21\\_FINAL\\_AS\\_CERTIFIED\\_accessible\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000127/HO_Annual_Report_and_Accounts_2020-21_FINAL_AS_CERTIFIED_accessible_.pdf)

## Greenhouse Gas Emissions

GLAA only occupies one building in Nottingham which is a shared government building. GLAA estimated CO2 consumption for its share of this building was 118,994 kg in 2021-22 (109,641 kg 2020-21).

The following data is based on information supplied by the landlord for the whole building and calculated on the GLAA's proportion of that consumption.

### Consumption KWH

	2021-22 Total	2020-21 Total
Electricity Consumption KWH	112,987	91,530
Estimated CO2 Consumption (KG)	21,849	19,435
Gas Consumption KWH	73,479	83,611
Estimated CO2 Consumption (KG)	99,559	87,791

Upgrades to the building management system including temperature control (heating, ventilation and cooling system) and changes to LED lighting were completed in 2020-21 to reduce consumption and CO2 emissions. Following the impact of the pandemic in 2020-21, occupation of the building increased in 2021-22 which, in turn, impacted on energy usage

### Waste minimisation

	2021-22 Total	2020-21 Total
Landfill kg	-	-
Recycled kg	10,521	6,923
Recovery kg	1,913	1,985

### Finite resource consumption

	2021-22 Total	2020-21 Total
Water (m <sup>3</sup> )	165	267



## Official Business Travel

Most of GLAA business travel is conducted in private vehicles due to the nature of certain roles.

### Business private vehicle travel

	2021-22 Total	2020-21 Total
Miles	247,272	175,119
Estimated CO2 Consumption (kg)	67,897	48,464

The increase in mileage and CO2 consumption was linked to the impacts of the pandemic in 2020-21. There is no data available, beyond spend, to calculate other forms of travel, which is shown below.

### Other forms of travel

	2021-22 Total £000s	2020-21 Total £000s
Vehicle hire	13	9
Train travel	8	1
Air travel	2	3
<b>Total</b>	<b>23</b>	<b>13</b>

## Integrity and counter bribery protections

We are committed to the highest standards of ethical conduct and integrity. We do not tolerate any form of bribery by, or of, our employees, agents or consultants, or any person or body acting on its behalf. We will fully investigate any instances of alleged or suspected bribery in line with our Disciplinary Policy and Procedure.

We communicate our Anti-Bribery Policy and Procedure on an annual basis and individuals are required to state that they have read and understood the policy.

The same applies to Protected Disclosure matters, and our approach to this is set out in the GLAA Protected Disclosure Policy and Procedure.

## Impact of EU exit

We have continued to maintain our international profile, and contact with EU labour inspectorates, where such contact continues to assist cases relating to exploited workers, whose recruitment and arrival in the UK occurred before Brexit. As a destination country for migration, we have remained linked into the Europol police and labour inspectorate

network that we assisted in creating, and, under Operation Aidant (co-ordinated by the NCA) we undertake work in parallel with our EU counterparts.

The changing recruitment dynamic post Brexit has resulted in recruitment from a greater number of countries, beyond the EU, particularly to support the UK's Seasonal Workers Scheme (SWS). This has been exacerbated since the war in Ukraine, and the inability to source workers from there. The SWS operators must hold GLAA licences, and where they sub-contract their recruitment to agencies in other non-EU countries those overseas agencies must also hold a GLAA licence.

This increases complications for us. It is essential for us to obtain assurance that overseas companies are compliant with domestic labour laws, and therefore satisfy our licensing standards before a licence is issued. Consequently, we have to make contact and obtain support from labour inspectorates in a wider set of countries. To identify these new contacts, we are supported by the Foreign, Commonwealth and Development Office and the International Labour Organisation.



**Elysia McCaffrey**  
Accounting Officer  
25 November 2022

# Statement of Accounting Officer's responsibilities

Under the Gangmasters (Licensing) Act 2004, the Secretary of State for the Home Office, with the consent of HM Treasury, has directed the GLAA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the GLAA and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, I, as Accounting Officer, am required to comply with the requirements of the Financial Reporting Manual (FRM) and to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FRM, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced, and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

The Secretary of State for the Home Office has appointed the Chief Executive Officer as Accounting Officer of the GLAA. The responsibilities of an Accounting Officer - including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, keeping proper records and for safeguarding the GLAA's assets - are set out in Managing Public Money published by HM Treasury.

As Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the GLAA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the GLAA's auditor are unaware.

# Governance Statement

## Scope of Accounting Officer's responsibilities

As the Chief Executive Officer and designated Accounting Officer for the GLAA, I have responsibility for the management and control of the resources used within the Authority as delegated to me by the Home Office.

I am responsible for maintaining a sound system of governance, internal control and risk management that supports the achievement of the GLAA's aims, priorities and objectives, whilst safeguarding the public funds and departmental assets for which we are personally responsible. The GLAA is responsible for managing a diverse range of risks and is committed to engaging effectively with workers, its customers and stakeholders to ensure that their views are known and considered in the decision-making process.

The system of internal control in use has been subject to regular review by the Leadership Team. The GLAA Board is presented with a full strategic risk register bi-annually and has delegated responsibility for routine monitoring of risk management arrangements to ARC. The setting of risk appetite for all strategic risks is the responsibility of the GLAA Board. Processes are in place for risks to be escalated within the organisation and to the Home Office where necessary.

During the reporting period 2021-22, the GLAA reported regularly to the Home Office to satisfy it of the regularity and propriety of expenditure relating to licensing and to enforcement, the responsibility for which has been delegated directly to the GLAA by the Secretary of State.

In addition, the GLAA ensured the Home Office Permanent Secretary was aware of the main risks managed by the GLAA through regular reporting to its sponsor team.

In preparing the annual Governance Statement for 2021-22, we have incorporated the guidance from the HM Treasury DAO (GEN) 02/12 and Managing Public Money annex 3.1 and have applied the principles set out in the Corporate Governance Code insofar as they are applicable to the GLAA.

## The Board

The GLAA is a NDPB sponsored by the Home Office. Our activities are controlled and monitored by the GLAA's Board; whose members are appointed by the Secretary of State.

In 2021-22, the board consisted of a Chair and six active Board members (up to eight Board members can be appointed). There were four Board meetings this year, which were also attended by the GLAA's Leadership Team.

Over this year there were significant changes to GLAA Board members, as illustrated in the attendance table below. Our Board Chair was Margaret Beels OBE until 17 November 2021, when her successor Julia Mulligan, who was previously a Board member took over the role. Ziggy MacDonald was in the post of interim CEO until 27 June 2021. In

November 2021 two new Board members were appointed and a further member in February 2022. Further recruitment for two additional Non-Executive Directors has been initiated and is expected to conclude later in 2022.

The Board has two committees that conduct business on its behalf. The Audit and Risk Committee (ARC) considers the strategic process for risk, control and governance, internal and external audit provision, accounting policies and the compilation of the GLAA's Annual Report and Accounts. Reports are submitted to Board meetings by the Chair of ARC.

The Remuneration Committee makes recommendations regarding the performance management and any remuneration applicable to senior civil servants. It also considers and approves policies related to the management of people within the organisation.

The GLAA organises a LU/LP liaison group, and a Worker/NGO liaison group, both of which are chaired by a board member. The former seeks to advise stakeholders within the regulated sector and enhance co-operation between the GLAA and its stakeholders. The Worker/NGO liaison group provides a similar role but draws in stakeholders from the wider labour market, including trade union representatives and representatives from the third sector.

The GLAA leadership team are also members of various national stakeholder groups and governance structures, including the Modern Slavery Threat Group, Modern Slavery Pursue Group, Prosecution Oversight Group, forums established by the Director of Labour Market Enforcement and international liaison committees.

A full list of members and their individual attendance records at Board meetings during 2021-22 is detailed below. A public register of interests for Board members is held, and this may be accessed via the GLAA's website at [www.gla.gov.uk](http://www.gla.gov.uk).

## Attendance

Representative	GLAA Board meetings	Audit and Risk Committee	Remuneration Committee
Margaret Beels OBE, Chair until 17/11/21	3/3	N/A	3/3
Ziggy MacDonald, CEO ex-Officio until 27/06/21	2/2	2/2	N/A
Simon Allbutt, Board Member until 07/02/22	3/3	3/3	N/A
William Butler, Board Member until 06/02/22	3/3	4/4	N/A
Prof Linda Dickens MBE, Board Member until 02/11/21	2/2	N/A	3/3
Dr Paul Williams, Board Member until 09/11/21	1/3	N/A	3/3
Suzanne McCarthy, Board Member	4/4	5/5	N/A
Julia Mulligan Board Member / Chair from 18/11/21	4/4	N/A	4/4
Deep Sagar, Board Member from 03/11/21	2/2	2/2	N/A
Pippa Greenslade, Board Member from 10/11/21	1/1	N/A	1/1
David Snowball, Board Member from 08/02/22	1/1	0/0	1/1

NB – The new CEO Elysia McCaffrey is not formally appointed to the Board, but attended three Board meetings in 2021-22.

During the year, ARC considered a number of reports from the executive and internal audit, covering key risks and issues and the management of risk itself within the GLAA. Further information regarding key risks and issues are set out later in this statement.

The GLAA Board, subject to the approval of the Secretary of State, appoint a Chief Executive Officer who, with the Leadership Team, ensure the operational objectives of the GLAA are delivered. The GLAA records its performance against agreed objectives monthly and reports on performance quarterly at Board Meetings. The Board has deemed the quality acceptable for its purposes of oversight and scrutiny of the organisation.

## Internal Audit

The internal audit service is provided by the Government Internal Audit Agency (GIAA) operating to the standards set out in Public Sector Internal Audit. The internal audit strategy is based on the analysis by the Leadership Team and ARC of the risk to which we are exposed.

Five audits were planned during 2021-22. However, two were removed from the plan as they were not feasible. The first related to the licensing system which had only recently moved to GLASS and the second focused on the Single Enforcement Body but there had been no Governmental announcements. The table below summarises the assurance ratings for each of the three audits that took place. The overall opinion of GIAA was limited, meaning there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

Audit subject	Assurance rating
Review of Standard Operating Procedures (SOPs)	Limited
Identifying and Supporting victims	Unsatisfactory
Review of Data quality	Limited

Internal audit consistently identified areas for improvement on first and second lines of defence. The Governance team has led on the improvement of assurance across the GLAA. The Organisational Assurance Group became a specific task and finish group dedicated to updating SOPs and policies detailing first and second lines of assurance.

Following this, the governance team carried out an internal review of five critical SOPs within the compliance team. This was the first time second line assurance had been identified within the organisation's SOPs. In Q4 of the year, the Audit and Risk committee approved a programme of work for 2022-23 which included committing to carrying out three further internal reviews to support GIAA audits.

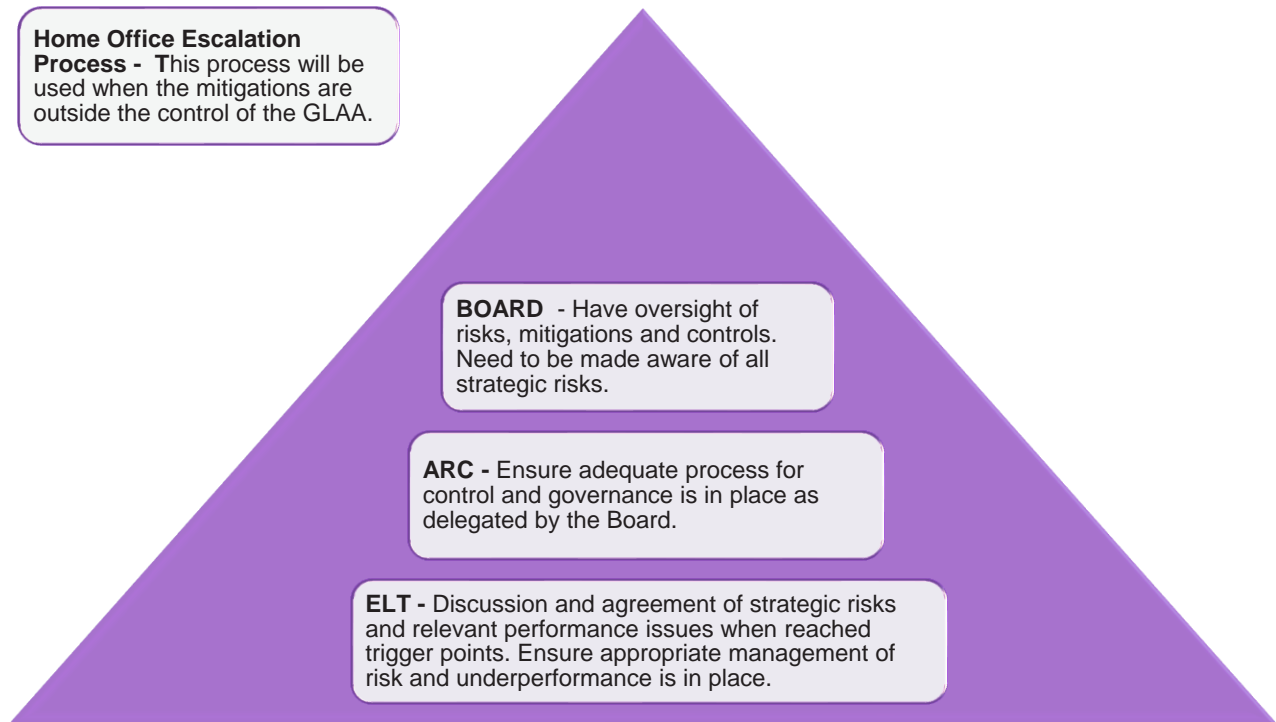
A recent audit in quarter one of 2021-22 on our processes around the identification of victims received an unsatisfactory rating. This related to the SOPs and policies that were in place and the gaps identified. Since this audit, the SOP on victim identification has been redrafted, and approved with the condition of a shorter review period. Second line assurance on the use of the SOP is planned for Q3 2022-23 to ensure there is sufficient time for the SOP to be used and tested against the variety of victims we identify.

Whilst the overall rating remains limited for a further year, we are anticipating that the efforts that have made over the last 18 months will start to become more evident in 2022-23.

GIAA has commented on the positive progress that has been made both in terms of culture and processes which is evident in the delivery of the audit recommendations. All legacy recommendations have been closed and only recent audit recommendations are open.

## Risk Management

During 2021-22, the Risk Management Framework has been further embedded across the organisation. This has been achieved by adding risk as a standard agenda item at team meetings, local risk registers being reviewed and challenged, and wider engagement with the strategic risk register. All risks are scrutinised through various levels as illustrated in the figure below. The Organisational Assurance Group has now been superseded by the Extended Leadership Team (ELT). This group scrutinise all new and current risks for assurance and regular detailed reports are provided to the Board. Key risks are escalated to the Home Office through the regular sponsorship meetings.



Risk and performance have been integrated and used appropriately by the leadership team to assist in decision making and resource allocation. This integration has proved effective and will continue into 2022-23. A general risk management statement has been agreed with the GLAA Board to summarise the GLAA's approach to risk.

**Risk appetite statement** - We are **cautious** when taking risks and our approach is based on judgement and the circumstances of each potential intervention, and an assessment of its impact. This means we will not seek to intervene in all situations, rather we prioritise in terms of risk, cost of mitigation and perceived benefits in a consistent and transparent way, choosing the most appropriate course of action in each case.

## Risk category and appetite

**Vulnerable worker protection** – we take an **averse** view when managing risks where the impact will negatively affect public protection. This means that we must maintain adequate protection of members of the public, victims, witnesses, or communities.



**Reputational damage** – we take a **cautious** view when managing risks that could negatively impact our reputation. This means that we aim to manage risks with an impact in reputational damage before the damage is uncomfortable for the GLAA.

**Health and safety** – we take an **averse** view when we manage risks with a potential impact of health and wellbeing when it comes to the GLAA’s people. We must continue to protect our colleagues and workers.

**Delivery and achievement of our objectives** – we take an **open** view when managing risk where the impact could negatively impact our ability to deliver and achieve particular key strategic performance measures but where there are over-riding imperatives in terms of delivering our performance targets.

**Financial loss** – we take a **cautious** view where managing risks that could result in a financial loss. This means that we aim to manage our budgets effectively particularly in the areas of project related work.

**Information technology** – we take a **minimalist** view when managing risks where the impact could result in damage to our systems that hold our information. This means that we will aim to manage risks with an impact of damage to our information systems.

**Information security** – we take a **cautious** view when managing risks where the impact could result in a loss of data or information. This means that we will aim to manage risks with an impact of loss of data or information before an incident results in a minor loss or something which needs to be reported to the Information Commissioner’s Office (ICO).

**Legal challenge** – we take a **cautious** approach when it comes to any legal challenge. Any negativity could impact on reputation, morale, and on delivery of our critical operations.

## Definitions of appetite

<b>Averse</b>	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is paramount. Activities undertaken will only be those considered to carry virtually no inherent risk.
<b>Minimalist</b>	Predilection to undertake activities considered to be very safe in the achievement of key initiatives. Activities will only be taken where they have a low degree of inherent risk. The associated potential for reward/pursuit of opportunity is not a key driver in selecting activities.
<b>Cautious</b>	Willing to accept/tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant reward and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<b>Open</b>	Undertakes activities by seeking to achieve a balance between a high likelihood of successful delivery and a high degree of reward and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.

The strategic risk register and emerging issues are presented at ARC meetings with comments and proposed actions, as well as being presented in full bi-annually to the GLAA Board. The risk register, management and tolerance levels are then set and reviewed in line with Home Office best practice.

## Primary risks and what we have been doing

The GLAA has been working on a Risk Management Maturity Model (RMMM) to embed risk management practices within the organisation. Risk is now intrinsically linked to performance monitoring to aid decision making. From the RMMM, the GLAA will develop a risk maturity score to assess against progress and to assist in addressing any barriers to an organisation wide improvement in culture.

The key strategic risks that have been managed this year are:

- The risk that unsupported legacy systems fail which negatively impacts on the delivery of GLAA objectives:
  - A procurement process is currently being undertaken to identify potential new IT suppliers
  - Access to more stable systems has been opened up, however, further testing is needed to assure the system performance
- The risk that data we hold breaches retention and destruction policies:
  - Dedicated sprint on retention and destruction work
  - Updated policies
  - Better understanding of system challenges for data deletion
- The risk that victims are not being identified or supported consistently:
  - Updated SOPs and policies
  - Training for all front-line officers
  - Initiated the recruitment of a victim navigator

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior leadership team within the GLAA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

## Financial management

The GLAA received formal confirmation of its budget for 2021-22 during the third quarter of that year. Funding has been confirmed on a flat cash basis for 2022-23. This was a single year allocation and GLAA is using funding assumptions provided by Home Office for medium term financial planning for resource and capital. The risk remains as a result of

continuing single year allocations and the timeliness of budget confirmation. Making savings remains challenging in the context of the growing operational demands noted above, and the GLAA continues to prioritise its resources in response to these risks.

## Information security

In 2021-22, the GLAA's Data Protection Officer reported nil breaches to the ICO. Although a small number of breaches were reported and recorded internally, once assessed using the ICO reporting framework, these were recorded as 'not reportable'.

## Managing conflicts of interest

GLAA employees are public servants and not civil servants. Where we have appointment to Senior Civil Servants (SCS) equivalent posts (CEO and COO), these are dealt with in respect of business interests in adherence to the civil service management code. This is managed through a public appointment process overseen by Home Office and the public appointments team.

Declarations of interest are also then taken at each Board meeting and Board members are expected to declare any interests if they arise during a course of a meeting. Board members are also required to agree to the anti-bribery policy and guidance on an annual basis. Declarations of interests are already captured for the Board and the CEO and the COO (SCS equivalents) and are disclosed in the ARA.

A more comprehensive conflicts of interest policy that widens this responsibility to the whole organisation and creates a process for managing this, drawing on best practice from civil service management code, has been approved and all colleagues have read and signed it. This is an annual process.

## Protected Disclosures (Whistleblowing) Arrangements

The GLAA has a Protected Disclosures policy and procedure which is available on the intranet for all colleagues to view. This policy was last updated in February 2020. The policy was reviewed in March 2022 and is currently going through the formal approval process. ARC has oversight of this policy and when any disclosures are made. The policy outlines three options to make a disclosure. One is through a line manager who are expected to make a fair evaluation. Option two is through a dedicated e-mail which is monitored by the Head of People and Change, and option three is directly to the CEO or to the Chair of ARC. In 2021-22 and 2020-21 we received no disclosures.<sup>8</sup>



**Elysia McCaffrey**  
Accounting Officer  
25 November 2022

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<sup>8</sup> <https://www.gla.gov.uk/publications/protected-disclosures-policy-and-procedure/>

# Remuneration and staff report

## Senior Management Team

The composition of the Senior Management Team in the reporting period was as follows:

Elysia McCaffrey Chief Executive Officer (from 28 June 2021)

Ziggy Macdonald Interim Chief Executive Officer (to 27 June 2021)  
and Consultant Director (from 28 June to 31 July 2021)

Daniel Scully Chief Operating Officer (from 19 November 2021, previously Director of Resources)

Elysia McCaffrey took responsibility as the Chief Executive Officer and Accounting Officer on appointment. There was a handover period to support transition from Ziggy Macdonald to Elysia McCaffrey from 28 June 2021 to 31 July 2021.

## Contract information

### Policy on the remuneration of the senior managers

The initial salary packages for all senior managers were set using a benchmarking process to define comparable packages for the area and the specialist skills required and are in line with Civil Service guidelines. Current and future salary packages are set in line with the work and recommendations of the Senior Salaries Review Body and Civil Service pay guidance. The terms and conditions of the Chief Executive are determined by the Board and approved by the Secretary of State. All positions were advertised nationally. Salary information is recorded in the tables on page 54.

### Board members remuneration (subject to audit)

The Chair and Board Members of the GLAA are remunerated on a daily basis.

Julia Mulligan took over as Chair of the GLAA from Margaret Beels OBE, on 18 November 2021.

These costs are included in the staff costs total of £5,665,000 (£5,332,000 2020-21) on page 59. Payments have been made to the Chair totalling £341 in 2021-22 (nil 2020-21) for travel and subsistence.

	Directorships and significant interests	Remuneration 2021-22 £000s	Remuneration 2020-21 £000s
<b>Margaret Beels OBE</b> (Chair to 17 Nov 21)	<ul style="list-style-type: none"> <li>• Non-Executive Director, Market Operator Services Ltd (till 16 July 21)</li> <li>• Directorship: Wispway Properties Ltd</li> <li>• Trusteeship: Friends of the Connection at St Martin's</li> <li>• The London Chorus</li> </ul>	15-20	25-30
<b>Julia Mulligan</b> (Board Member till 16 Nov 21, Chair from 18 Nov 21)	<ul style="list-style-type: none"> <li>• Chair, Independent Domestic Abuse Service</li> <li>• Independent Member, The Parole Board</li> <li>• Independent Chair, Police Advisory Board for England and Wales</li> <li>• Senior Independent Director, Independent Office for Police Conduct</li> </ul>	5-10	5-10
<b>Simon Allbutt</b> (to 7 Feb 22)	<ul style="list-style-type: none"> <li>• Director, Allbutt HR Consulting</li> <li>• Trustee, Erskine Hospital</li> </ul>	0-5	0-5
<b>William Butler</b> (to 6 Feb 22)	<ul style="list-style-type: none"> <li>• Non-Executive Director, The Law Society</li> <li>• Director, GPDF Ltd</li> <li>• Member, Disciplinary and Investigations Panel, CIPFA</li> </ul>	5-10	15-20
<b>Angela Coleshill</b> (to 7 May 2020)	<ul style="list-style-type: none"> <li>• Director, Food and Drink Federation (to 31 December 19)</li> <li>• Director, National Skills Academy for Food and Drink</li> <li>• Director, Provision Trade Federation (1 Jan 2020 to 31 March 2020)</li> </ul>	-	0-5
<b>Prof Linda Dickens MBE</b> (to 2 Nov 21)	<ul style="list-style-type: none"> <li>• Chair, Inclusive Fire and Rescue Service Group (appointed by NJC Fire and Rescue Service)</li> <li>• Arbitrator, Acas</li> </ul>	5-10	10-15
<b>Dr Paul Williams</b> (to 9 Nov 21)	<ul style="list-style-type: none"> <li>• None</li> </ul>	0-5	5-10

	Directorships and significant interests	Remuneration 2021-22 £000s	Remuneration 2020-21 £000s
<b>Suzanne McCarthy</b>	<ul style="list-style-type: none"> <li>• Chair, Fire Standards Board, Chief Fire Officers Association</li> <li>• Deputy Chair, Valuation Tribunal Service and Chair, Audit Committee, Ministry of Housing, Communities and Local Government</li> <li>• Board Member, Academy of Medical Royal College</li> <li>• Chair, Joint Audit Panel for the Mayor's Office for Policing and Crime and the Metropolitan Police Service</li> <li>• Board Member and Chair, Standards Committee, Fundraising Regulator</li> <li>• Independent Member, Audit Committee, Office for Students</li> <li>• Independent Appointed Person, Greater London Authority</li> <li>• Commissioner, Marshall Aid Commemoration Commission, Foreign and Commonwealth Office</li> <li>• Chair, Right to Succeed</li> <li>• Chair, Lepra</li> <li>• Assistant Boundary Commissioner, Boundary Commission</li> <li>• Board Member, Independent Funeral Standards Organisation</li> <li>• Board Member and Chair of Audit Committee, College of Policing</li> <li>• Director, Medics Academy (Vopulus Ltd)</li> </ul>	5-10	5-10
<b>Deep Sagar</b> (from 3 Nov 21)	<ul style="list-style-type: none"> <li>• Member, Employment Tribunal</li> <li>• Advisory Member, Commission for Local Administration</li> <li>• Board Member, Legal Aid Agency</li> <li>• Chair, NHS Continuing Care Review Panels, England and Wales</li> <li>• Chair, Advisory Committee on Packaging</li> <li>• Chair, Regulatory Board for Wales</li> <li>• Member, Civil Legal Services Appeals Panel</li> <li>• Board Member, Plexus/Omega Housing</li> <li>• Consultant, Austen Jones Solicitors</li> </ul>	0-5	-

	Directorships and significant interests	Remuneration 2021-22 £000s	Remuneration 2020-21 £000s
<b>Pippa Greenslade</b> (from 10 Nov 21)	<ul style="list-style-type: none"> <li>Member, Senior Salary Review Body, Department of Business, Energy and Industrial Strategy, UK Gov</li> <li>Trustee, Christian Aid, UK Development Charity</li> </ul>	0-5	-
<b>David Snowball</b> (from 8 Feb 22)	<ul style="list-style-type: none"> <li>Volunteer, British Red Cross</li> </ul>	0-5	-

Normal business-related travel and subsistence was reimbursed to Board Members in line with the GLAA's policy. This amounted to £1,102 in 2021-22 (£0 2020-21).

### Tax arrangements for public sector appointees

There were no off-payroll engagements as of 31 March 2022 (none 2020-21) for more than £245 per day, and that lasted for longer than six months. These are contractors and consultants who have their own tax and national insurance arrangements; none were current or former employees of the GLAA (none 2020-21). None of the engagements involved Board members or any of the Senior Management Team with significant financial responsibility, during the financial year.

The total spend on contractors for 2021-22 was £0 (£0 2020-21).

### Policy on the duration of contracts and notice periods

During the reporting period, the Interim Chief Executive (Ziggy MacDonald) was on a Fixed Term Contract, which was extended to 31 July 2021 to provide a handover to the new Chief Executive, Elysia McCaffrey, who commenced her position on 28 June 2021 on a Fixed Term Contract for three years ending 28 June 2024. During the first six months of service, the notice period is one month, on completion of six months service, the notice period is three months.

All other senior managers are permanent employees and all senior managers' contracts contain a three-month notice period, which is an appropriate time to allow for a handover period.

### Policy on performance related pay

All GLAA staff members, subject to an eligibility criterion, may qualify for performance related pay (PRP) in addition to basic salaries. Each year GLAA submits its proposals for its approach to pay increases and changes in line with annual Civil Service pay guidance to the Minister for approval.

In 2020-21, the bonus award was shared equally amongst those who had achieved a rating of 'effective' or 'highly effective' on their PDR. For 2021-22, the same approach was applied with plans in place to change this for 2022-23.

Following consultation on proposed changes to the Bonus Scheme for 2021-22, a decision was taken to defer any changes to the end of year bonus to allow the PDR system to be embedded and to extract any learning to ensure improvements. This meant the end of year bonus for 2021-22 remained an equal split between the Effective and Highly Effective bands. The intention was to build confidence ahead of the following year (2022-23) as we move to a more active link between individual performance and reward within the Bonus Scheme. We are, however, still intending to use a small amount of the overall bonus pot to provide in-year awards in recognition of excellent work. The details of the practical application of the in-year awards are still under consultation.

The Chief Executive's and Chief Operating Officer's PRP is determined by their contracts based on existing arrangements for senior civil servants and is dependent upon meeting agreed personal objectives. This is assessed by the Chair and Remuneration Committee, which then submits its recommendations to the Home Office Minister for approval.

## **Employment of Disabled Persons' Policy**

The GLAA works to ensure disability is not regarded as a barrier to recruitment or promotion. It is committed to ensuring disabled staff have access to the same opportunities as other staff, not only when they first join but at all stages in their career.

The organisation operates a Guaranteed Interview Scheme, which guarantees an interview to anyone with a disability whose application meets the minimum criteria for the post. Once in post, disabled staff are provided with any reasonable support/adjustments they might need to carry out their duties.

The Recruitment and Selection policy clarifies the GLAA commitment to providing equal opportunities for all candidates during the selection process. The GLAA welcomes applications from people with disabilities and encourages these candidates to make an application if they feel they have the requisite skills and qualifications for the position and, in line with the Guaranteed Interview Scheme, additional assistance or adjustments can be accommodated ahead of the interview. The GLAA will ensure all recruitment and promotion will be undertaken based on the skills and experience necessary to perform the role.

We continue the employment of, and arrange appropriate training for, employees of the GLAA who have become disabled during the period. We promote the training, career development and promotion of disabled people employed by the GLAA.



## Transparency on Business Appointments

In compliance with Business Appointment rules, the GLAA is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on Home Office website.<sup>9</sup>

## Staff turnover

In 2021-22 GLAA overall staff turnover was 15.97 per cent (11.2 per cent 2020-21). When taking into account colleagues that moved to other roles within the civil service, the turnover is reduced to 10.92 per cent in 2021-22 (10.34 per cent 2020-21).

## Staff engagement

A staff survey was conducted in 2021-22, the overall satisfaction rate was measured at 71 per cent (69 per cent 2020-21).

## Other employee matters

The Equal Opportunities and Diversity Policy statements detail the organisational commitment to eliminating discrimination and encouraging diversity amongst the workforce. It also includes the commitment to recruitment and promotion and that this will be undertaken based on skills and experience necessary to perform the role.

Training, development, and progression opportunities are available to all staff. The GLAA's performance management and learning and development statements will ensure all staff are provided with equal opportunities for personal and career development. All employees are required to read and confirm their understanding of this policy on an annual basis, and any breach of this policy may result in gross misconduct and lead to action in line with the disciplinary procedure.

We communicate directly with all employees regarding employment issues that relate to them, we also engage with the Public and Commercial Services Union (PCS) with formal consultation where appropriate and actively encourage individual and group employee participation on relevant employment matters.

A Health and Safety Committee is held on a quarterly basis where representatives from across the organisation discuss health and safety matters and any changes required to improve safe working within the organisation.

We work in partnership with the PCS union, who are recognised as representing PCS members within the organisation. Regular union management meetings are held to discuss employment matters and to resolve any issues to the satisfaction of the organisation and union where possible.

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<sup>9</sup> <https://www.gov.uk/government/publications/home-office-business-appointment-rules-advice>

## Salary information (subject to audit)

### Single total figure of remuneration

The Chief Executive and the Chief Operating Officer are the only GLAA Senior Civil Servant equivalent posts.

The bonus for SCS posts is a maximum bonus of 10 per cent of base salary, on a sliding scale of performance against objectives. It is expected that 10 per cent can only be awarded if all objectives are considered to have been exceeded.

The figures in the table include salary, benefit in kind, and non-consolidated performance-related pay. There were no severance payments or benefit in kind payments to the CEO or the COO in 2021-22 (none in 2020-21). It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The PRP payments within the single remuneration figure are reported on a paid basis. The 2021-22 figures would relate to 2020-21 PRP awards, as these are paid in the following year.

No other benefits-in-kind or compensation were paid to the CEO or the COO. The GLAA does not offer any remuneration package which is not in the form of cash.

### 2021-22 – Single total figure of remuneration

Senior manager	Job title	Salary £000s	Performance payments £000s	Severance payments £000s	Pensions benefits £000s	Benefit in kind £	Total £000s
Elysia McCaffrey (From 28 June 21)	Chief Executive Officer	80-85 FYE 105-110	5-10	-	59	-	150-155
Ziggy Macdonald (to 31 July 21)	Interim Chief Executive	35-40 FYE 105-110	-	-	27	-	65-70
Daniel Scully	Chief Operating Officer	75-80	5-10	-	31	-	110-115

## 2020-21 - Single total figure of remuneration

Senior manager	Job title	Salary £000s	Performance payments £000s	Severance payments £000s	Pensions benefits £000s	Benefit in kind £	Total £000s
Michael Rich (to 31 July 20)	Chief Executive	35-40 FYE 105-110	-	-	14	-	50-55
Ziggy Macdonald (from 1 August 20)	Interim Chief Executive	70-75 FYE 105-110	-	-	15*	-	85-90*
Daniel Scully	Director of Resources	70-75	0-5	-	54*	-	135-140*

\* Figure amended due to retrospective update to salary data

## Fair pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce.

Total remuneration includes salary, benefits in kind and non-consolidated performance related pay. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in the GLAA in the financial year 2021-22 was £115,000 - £120,000, (£105,000 - £110,000 2020-21).

Comparative ratios between the banded remuneration and the remuneration of the workforce are as follows:

	2021-22		2020-21	
	£	Ratio	£	Ratio
Median	33,049	3.56	33,112	3.25
75 <sup>th</sup> percentile	40,777	2.88	41,105	2.62
25 <sup>th</sup> percentile	30,103	3.90	29,481	3.65

The increase in ratio related to payment of a bonus to the highest paid director and the median remuneration of most of the workforce (excluding lower quartile) being reduced due to staff turnover.

Remuneration of the highest paid director increased by 9.3 per cent compared to the prior year whilst average remuneration for employees taken as a whole decreased by 0.19 per cent.

In 2021-22 no employees received remuneration in excess of the highest-paid director (none 2020-21). Remuneration ranged from £20,000-£25,000 to £115,000-£120,000 (£20,000-£25,000 to £105,000-£110,000 2020-21).

### Staff composition (head count) as at 31 March 2022 (Not Subject to Audit)

	2021-22		2020-21	
	Female	Male	Female	Male
Other Employees	41	78	43	76
Board	3	2	3	3
<b>Total</b>	<b>44</b>	<b>80</b>	<b>46</b>	<b>79</b>

## Pension information

### CETV Information (subject to audit)

#### 2021-22

Senior manager	Accrued pension as at 31/03/22 and related lump sum at pension age £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 1 April 2021 £000s	CETV at 31 March 2022 £000s	Real increase in CETV £000s
Elysia McCaffrey	25-30 plus lump sum of 45-50	2.5-5 plus lump sum of 2.5-5	335	386	31
Ziggy MacDonald	45-50	0-2.5	758	786	24
Daniel Scully	25-30	0-2.5	273	303	12

#### 2020-21

Senior manager	Accrued pension as at 31/03/21 and related lump sum at pension age £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 1 April 2020 £000s	CETV at 31 March 2021 £000s	Real increase in CETV £000s
Michael Rich	0-5	0-2.5	35	44	7
Ziggy MacDonald	45-50	0-2.5	700	740	14
Daniel Scully	20-25	0-2.5	225	267	30

There have been no employer contributions to the Partnership Pension Scheme for the Senior Managers of the GLAA. Ziggy McDonald and Daniel Scully's CETV figures have increased in line with restatement from the pension provider, linked to a back dated pay award, which due to the timing of the payment was not reflected in last year's figures.

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants, and the majority of those already in service, joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha

build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Staff costs (subject to audit)

	2021-22		2020-21	
	Permanently employed staff £000s	Other / Temporary £000s	Permanently employed staff £000s	Other / Temporary £000s
Staff salaries including PRP	4,042	172	3,772	134
Employee benefits as per IAS 19	(25)	-	37	-
Social security costs	441	20	422	16
Pension service costs	966	49	911	40
<b>Total</b>	<b>5,424</b>	<b>241</b>	<b>5,142</b>	<b>190</b>

Holiday pay liability increased during 2020-21 due to the impact of Covid-19, part of this increase has been reduced during 2021-22.

Five employees were employed on a fixed term contract during 2021-22 (six employees 2020-21). GLAA spent £0 on consultancy in 2021-22 (£0 2020-21)

A total of £113,000 was accrued for PRP (£97,000 2020-21). The increase was due to CEO and COO PRP being included in 2021-22.

## Pension costs

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multiemployer defined benefit schemes but the GLAA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the Civil Service Pension Scheme as at 31 March 2016: [GAD report \(civilservicepensionscheme.org.uk\)](#).

You can also find details in the resource accounts of the Cabinet Office: <https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2021-22, employers' contributions of £913,000 were payable to PCSPS and CSOPS (£844,000 2020-21) at one of four rates in the range 26.6 per cent to 30.3 per cent of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during the period to existing pensioners.

Employees can opt to open a partnership pension account or a stakeholder pension with an employer contribution. Employer's contributions of £101,000 (£104,000 2020-21) were paid to Legal and General, who was appointed as the sole stakeholder pension providers in September 2018. Employer contributions are age-related and ranged from 8 per cent to 14.75 per cent. Employers also match employee contributions up to 3 per cent of pensionable earnings.

In addition, employer contributions of £3,000 (£3,000 2020-21), 0.5 per cent of pensionable pay, were payable to the PCSPS in 2021-22 to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2022 were £0 (£0 in 2020-21). Contributions prepaid at that date were nil (nil in 2020-21).

#### Average number of employees (based on FTE) (subject to audit)

	2021-22			2020-21		
	Total	Permanent staff	Others	Total	Permanent staff	Others
Total directly employed	116.63	113.30	3.33	110.50	107.58	2.92

The figures for 2020-21 have been corrected as these were incorrectly disclosed last year (119 total who were all permanent staff), which was the headcount as at 31 March 2021.



## Reporting of Civil Service and other compensation schemes exit packages 2021-22 (subject to audit)

There was no exit package agreed during 2021-22 (one 2020-21). None of these related to senior managers but were all as a result of the management restructure and all followed the relevant Cabinet Office approval protocol.

Exit package cost band	2021-22			2020-21		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	1	-
£25,000 - £50,000	-	-	-	-	-	-
£50,000 - £100,000	-	-	-	-	-	-
£100,000 - £150,000	-	-	-	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
<b>Total Number of exit packages</b>	-	-	-	-	1	-
<b>Total resource cost (£000s)</b>	-	-	-	-	10	-

## Sickness absence

For the reporting year to 31 March 2022, the average number of days lost to staff sickness was 7.05 (4.81 2020-21). The rate of sickness increased, in substantial part due to Covid-19 related absence. While the previous year's rate may have appeared much lower, this was a trend seen across all sectors where there was the ability to begin working from home at the outset of the pandemic and was considered likely to be artificially low as a result.

## Trade Union Facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require certain public-sector employers to publish information on facility time used by Trade Union representatives. The information below sets out the relevant Trade Union facility time data for the GLAA covering the period 1 April 2021 to 31 March 2022.

The information is based on time sheet recording by the PCS union representatives regarding union facility time.

### 2021-22

Employees who are Union officials during period	FTE	Facility time per cent	Cost of facility time per cent of pay bill	Total cost of facility time £000	Total pay bill £000	Paid Trade Union activities per cent
5	5	1-50	0.18	10	5,665	100

### 2020-21

Employees who are Union officials during period	FTE	Facility time per cent	Cost of facility time per cent of pay bill	Total cost of facility time £000	Total pay bill £000	Paid Trade Union activities per cent
5	5	1-50	0.29	15.4	5,332	100

## Declarations of interest

Senior Management Team	Declarations of Interest
Elysia McCaffrey, Chief Executive Officer	<ul style="list-style-type: none"> <li>Volunteer, Silverback Fitness CIC</li> </ul>
Ziggy MacDonald, Interim Chief Executive	<ul style="list-style-type: none"> <li>None</li> </ul>
Daniel Scully, Chief Operating Officer	<ul style="list-style-type: none"> <li>None</li> </ul>

# Parliamentary Accountability and Audit Report

All information in this section is subject to audit by the Comptroller and Auditor General.

## Losses and special payments

Managing public money requires disclosure of losses and special payments by category type and value where they exceed £300,000 in total and for any individual items above £300,000. During the year 1 April 2021 to 31 March 2022, the GLAA incurred no losses (£0 2020-21). GLAA made no special payments in 2021-22 (£0 2020-21).

## Fees and charges

Following a comprehensive review of the cost of the licensing function in 2016-17 and HM Treasury guidance, the cost of this function has been revised. Fee levels are set by the Secretary of State and have remained unchanged since 2009. Income has reduced as certain low risk areas were removed from the regulated sector as part of the Red Tape Challenge.

The organisation should operate on a full cost recovery basis, which is currently not being achieved. It is anticipated that a recommendation regarding licence fees will be taken forward with the Home Office. Following consultation with Ministers, GLAA plans to take forward proposals to change fees from April 2023.

	<b>Income</b>	<b>Full costs</b>	<b>Surplus/(deficit)</b>	<b>Fee recovery actual</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>per cent</b>
Licensing 2021-22	1,037	2,258	(1,221)	46
Licensing 2020-21	1,052	2,073	(1,021)	51

For the purposes of cost recovery, expenditure has been analysed by function, as well as category, shown in note 2 on page 81. All costs are allocated based on the GLAA's best estimate of the apportionment of costs between enforcement and licensing activities.

Further information on the fees charged and number of licences can be found in note 5 on pages 83 to 84.

## Remote contingent liabilities

In addition to contingent liabilities reported in accordance with IAS 37, the GLAA also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability.

GLAA has a couple of ongoing legal cases relating to operational activity. The details of these have not been disclosed as this would not be appropriate since they are ongoing cases. Given that one or more of those may result in future legal claims, they present potential liabilities for the organisation although none of the cases yet meet the requirements that would require a provision being made.

The GLAA has no remote contingent liabilities as at 31 March 2022 (2020-21 none).



**Elysia McCaffrey**  
Accounting Officer  
25 November 2022

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Gangmasters and Labour Abuse Authority for the year ended 31 March 2022 under the Gangmasters (Licensing) Act 2004.

The financial statements comprise the Gangmasters and Labour Abuse Authority's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Gangmasters and Labour Abuse Authority's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Gangmasters (Licensing) Act 2004 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant

to listed entities. I am independent of the Gangmasters and Labour Abuse Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Gangmasters and Labour Abuse Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Gangmasters and Labour Abuse Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Gangmasters and Labour Abuse Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Gangmasters (Licensing) Act 2004.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Gangmasters (Licensing) Act 2004; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Gangmasters and Labour Abuse Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Gangmasters and Labour Abuse Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;

- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Gangmasters and Labour Abuse Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Gangmasters and Labour Abuse Authority will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Gangmasters (Licensing) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Gangmasters and Labour Abuse Authority's accounting policies.
- Inquiring of management, Gangmasters and Labour Abuse Authority's head of internal audit and those charged with governance, including obtaining and reviewing



supporting documentation relating to the Gangmasters and Labour Abuse Authority's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Gangmasters and Labour Abuse Authority's controls relating to the Gangmasters and Labour Abuse Authority's compliance with Gangmasters (Licensing) Act 2004 and Managing Public Money;
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Gangmasters and Labour Abuse Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and risk of bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Gangmasters and Labour Abuse Authority's framework of authority as well as other legal and regulatory frameworks in which the Gangmasters and Labour Abuse Authority operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Gangmasters and Labour Abuse Authority. The key laws and regulations I considered in this context included Gangmasters (Licensing) Act 2004, Managing Public Money, Employment Law and Tax Legislation.

### **Audit response to identified risk**

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the

judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

## Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
25 November 2022

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Financial Statements

## Statement of comprehensive net expenditure for the year ended 31 March 2022

	Note	2021-22 £000s	2020-21 £000s
<b>Expenditure</b>			
Staff costs	3	5,665	5,332
Operating expenditure	3	1,783	2,043
<b>Total expenditure</b>		<b>7,448</b>	<b>7,375</b>
<b>Revenue from contracts with customers</b>			
Enforcement	4	(145)	(97)
Licence fees	5	(784)	(748)
Application inspections	5	(253)	(304)
<b>Total income</b>		<b>(1,182)</b>	<b>(1,149)</b>
<b>Net expenditure for the year</b>		<b>6,266</b>	<b>6,226</b>

## Other comprehensive expenditure

	Note	2021-22 £000s	2020-21 £000s
<b>Items that will not be reclassified to net operating cost:</b>			
Revaluation of intangible assets		(1)	2
<b>Comprehensive net expenditure for the year</b>		<b>6,265</b>	<b>6,228</b>

The notes on pages 75 to 89 form an integral part of the accounts.

## Statement of financial position as at 31 March 2022

	Note	31 March 2022 £000s	31 March 2021 £000s
<b>Non-current assets</b>			
Property, plant, and equipment	6	567	843
Intangible assets	7	1,045	1,274
<b>Total non-current assets</b>		<b>1,612</b>	<b>2,117</b>
<b>Current assets</b>			
Trade and other receivables	9	191	207
Cash and cash equivalents	10	563	743
<b>Total current assets</b>		<b>754</b>	<b>950</b>
<b>Total assets</b>		<b>2,366</b>	<b>3,067</b>
<b>Current liabilities</b>			
Trade and other payables	11	(1,973)	(2,501)
Provisions	12	(17)	(17)
<b>Total current liabilities</b>		<b>(1,990)</b>	<b>(2,518)</b>
<b>Total assets less current liabilities</b>		<b>376</b>	<b>549</b>
<b>Non-current liabilities</b>		-	-
<b>Total non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>(1,990)</b>	<b>(2,518)</b>
<b>Assets less liabilities</b>		<b>376</b>	<b>549</b>
<b>Reserves</b>			
General reserve		376	548
Revaluation reserve		0	1
<b>Total reserves</b>		<b>376</b>	<b>549</b>



**Elysia McCaffrey**  
Accounting Officer  
25 November 2022

The notes on pages 75 to 89 form an integral part of the accounts.

## Statement of cash flows for the year ended 31 March 2022

	Note	2020-22 £000s	2020-21 £000s
<b>Cash flows from operating activities:</b>			
Net expenditure for the year		(6,266)	(6,226)
Adjustments for non-cash transactions:			
Depreciation	6	334	320
Amortisation	7	318	75
(Increase)/decrease in trade and other receivables	9	16	(40)
Increase/(decrease) in trade and other payables	11	(528)	(309)
Payments to the consolidated fund which are outside the scope of the GLAA's activities		-	-
<b>Net cash outflow from operating activities</b>		<b>(6,126)</b>	<b>(6,180)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	6	(58)	(19)
Purchase of intangible assets	7	(89)	(1,090)
<b>Net cash outflow from investing activities</b>		<b>(147)</b>	<b>(1,109)</b>
<b>Cash flows from financing activities</b>			
Grant-in-Aid		6,093	7,072
<b>Net cash inflow from financing activities</b>		<b>6,093</b>	<b>7,072</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>(180)</b>	<b>(216)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>743</b>	<b>959</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>563</b>	<b>743</b>

The notes on pages 75 to 89 form an integral part of the accounts.

## Statement of changes in taxpayers' equity for the year ended 31 March 2022

	General reserve £000s	Revaluation reserve £000s	Total reserves £000s
<b>Balance at 1 April 2020</b>	<b>(298)</b>	<b>3</b>	<b>(295)</b>
Net expenditure for the year	(6,226)	-	(6,226)
Revaluation of intangible assets	-	(2)	(2)
Grant-in-aid	7,072	-	7,072
Payment to consolidated fund	-	-	-
<b>Balance at 31 March 2021</b>	<b>548</b>	<b>1</b>	<b>549</b>
<b>Balance at 1 April 2021</b>	<b>548</b>	<b>1</b>	<b>549</b>
Historic rounding difference	1	-	1
Net expenditure for the year	(6,266)	-	(6,266)
Revaluation of intangible assets	-	(1)	(1)
Grant-in-aid	6,093	-	6,093
Payment to consolidated fund	-	-	-
<b>Balance at 31 March 2022</b>	<b>376</b>	<b>0</b>	<b>376</b>

The notes on pages 75 to 89 form an integral part of the accounts.

# Notes to the accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 FReM issued by HM Treasury. The accounting policies contained in the FReM apply to International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the GLAA for the purpose of giving a true and fair view has been selected. The policies adopted by the GLAA for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### Reporting entity name

The Gangmasters and Labour Abuse Authority.

### Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, and inventories.

All figures are shown to the nearest £1,000; this may result in small cumulative rounding differences between notes.

### Basis of accounts preparation

These accounts have been prepared in the form directed by the Home Office, with the approval of HM Treasury in accordance with Section 23 of the 2004 Act.

The financial statements are prepared in accordance with regulation S9 of the Gangmasters (Licensing Authority) Regulations 2015 and directions made thereunder by the Secretary of State, reporting the state of the GLAA's affairs as at 31 March 2022 and its financial position for the year.

The GLAA's accounts are audited by the Comptroller and Auditor General.

Any events that would impact on these accounts after the 31 March 2022 are stated in note 15 on page 89.

### Going concern

The GLAA has received formal confirmation of its funding levels for 2022-23 and that the GLAA is intended to be funded beyond by Home Office although future funding is yet to be formally confirmed from 2023-24. Therefore, there is no reason to believe future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## Grant in Aid

GIA utilised for both revenue and capital expenditure is regarded as a finance flow used to support the statutory and other objectives of the GLAA and is credited to the general reserve in the year to which it relates on a receipts basis.

## Segmental reporting

A segment is a distinguishable component of the business that is engaged in providing products or services, which is subject to risks and rewards that are different from other segments, and which are reviewed with senior management. The GLAA has two separately identifiable business objectives which are reported under this heading, these being licensing activities and enforcement activities. Under the adoption of IFRS 8, it has been necessary to add these to the existing cost recovery analysis.

Costs are apportioned between licensing and enforcement activities based on management judgement of the fair apportionment of costs between these segments. This is reviewed annually.

## Income

### Revenue: contracts with customers

Income is recognised when all the conditions laid down in IFRS 15 Income have been satisfied. Revenue is recognised when a performance obligation included within a contract with a customer is satisfied, at the transaction price allocated to that performance obligation. This may be at a point in time, or over time.

Application inspection payments: The key performance obligation is on completion of an inspection. It is generally through this process that the issuing or rejection of the application to be licenced is decided. Refunds are also available to those that do not require a full inspection for a decision to be made.

Licence fees: The licence fee is paid with an application inspection fee for those applying for a new licence or paid annually before the expiration of the licence for existing licence holders.

The performance obligation is discharged over the course of the licence period. Therefore, the income is recognised monthly over the life of a licence and, in the case of new licences, only once issued. In the case of cancelled or refused licence applications, the fee is not refundable, the full amount of the licence fee is recognised in the month the decision is made.

As application inspection payments and licence fees are both received in advance, these funds are held as contract liabilities until the performance obligation is met or refunds are made.

Income received for both licence fees and application fees are exempt from value added tax (VAT) and are set in accordance with HM Treasury's Fees and Charges Guide.



## **Payables**

The GLAA has a policy of paying all suppliers promptly. The payables figure represents the amounts owed to GLAA suppliers who have issued invoices to the GLAA which have been processed but not paid at the balance sheet date. These amounts are generally paid shortly (days) after being processed, and certainly within one year.

## **Accruals**

The GLAA prepares its accounts on an accruals basis. It accrues for transactions and where appropriate uses estimates to ensure that the accounts give a true and fair view of events and transactions during the reporting period.

## **Financial assets and liabilities**

The GLAA classifies its non-derivative financial assets as loans and receivables. Financial assets and liabilities are recognised at fair value, loans and receivables are then held at amortised cost (the transaction price plus any directly attributable transaction costs).

## **Property, plant and equipment**

Plant and equipment is held at depreciated historic cost which is a proxy for fair value. The capitalisation threshold for expenditure on property, plant and equipment is £5,000. As these assets have a short useful economic life (UEL) and low values, this method represents fair value under IAS 16 and permitted by the FReM. The UEL and residual value is assessed on an annual basis in line with the impairment review.

## Depreciation

Depreciation is provided against tangible fixed assets on a straight-line basis at rates calculated to write off the cost over the expected UEL of the asset over the following periods:

Fixtures and fittings	1-7 years
Plant and machinery	1-5 years
Information technology	2-10 years

## Amortisation

Amortisation is provided against intangible fixed assets on a straight-line basis at rates calculated to write off the cost over the expected UEL of the asset over the following periods:

Software licence	2-5 years
Information technology	2-10 years

## Intangible assets

In line with IAS 38, where no active market comparable price exists, intangible assets are valued at the depreciated replacement cost re-valued by the average earnings index, less accumulated depreciation, and impairment. Impairment reviews will be carried out at the Statement of Financial Position date on an annual basis. The capitalisation threshold for expenditure on intangible assets is £5,000.

## Assets under construction

Assets under construction are shown at accumulated cost with depreciation commencing when the asset is completed and brought into service.

## Cash

Cash and cash equivalents comprise cash in hand, current balances with banks and other financial institutions.

## Leases

In line with IAS 17, leases are identified as finance leases or operating leases. A finance lease is one which transfers substantially all the risks and rewards of ownership to the lessee. An operating lease is a lease other than a finance lease.

The determination of whether an arrangement is or contains a lease is based on the substance of that arrangement. This assessment is based on whether the arrangement is dependent on the use of a specific asset and conveys the right to use the asset. Where substantially all risks and rewards of ownership of a leased asset are borne by the GLAA, the arrangement is treated as a finance lease.

Operating leases and the rentals thereon are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

### **Employee benefits**

Under IAS 19, employee benefit costs must be recognised in the period in which it was earned. Therefore, the GLAA accrues all allowable untaken leave due at the Statement of Financial Position date utilising the measurement method of the average daily rate per employee.

Total severance / early retirement costs are expensed in full in the year in which the departure is agreed (in line with IAS 19). Both offer and acceptance of the scheme conditions must be confirmed, and the date agreement is reached dictates the year in which the costs are expensed in total. For compulsory schemes, the necessary legal and consultation exercises must have been completed in advance but the critical date for recognition purposes is the date that the departure has become irreversible.

### **Pension costs**

The pension arrangements for the GLAA are covered by the Superannuation Act 1972 and reflect benefits for members of the PCSPS and Civil Servants and other pension scheme (alpha). The Superannuation Act provides for defined pension benefits to be met from the consolidated fund and no liability rests with the GLAA.

Past and present employees of the GLAA are covered by the provisions of the PCSPS and alpha. The scheme is a defined benefit scheme and liability rests with the scheme and not the GLAA. Benefits are paid from the Civil Superannuation Vote, to which the GLAA makes contributions calculated to cover accruing pension entitlement for staff employed. Statements of account for the scheme are provided by the Cabinet Office Civil Superannuation Resource Account. The PCSPS pension scheme undergoes a reassessment of the contribution rates by the Government Actuary at four-yearly intervals. In respect of defined contribution schemes, the GLAA recognises the contributions payable for the year.

Full details can be found on pages 48 to 62 of the Remuneration and Staff Report.

### **Provisions**

GLAA provides for obligations arising from past events where the GLAA has a present obligation at the Statement of Financial Position date, and where it is probable that it will be required to settle the obligation and a reliable estimate can be made. Where material, future costs have been discounted using the rate as directed by HM Treasury.

### **Estimates and judgements**

The GLAA does not have significant estimates. Estimates and judgements will be evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Value Added Tax

The GLAA is not registered for VAT. VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

## Domicile status

The GLAA principal place of business is Nottingham, England.

## Accounting changes

IFRS 16 Leases: The International Accounting Standards Board has issued the final version of IFRS 16 which will replace IAS 17 for annual periods beginning on or after 1 January 2019.

On 18th March, HM Treasury agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS 16 in central government until 1 April 2022. This represents a two-year deferral from the initial effective date of 1 April 2020.

The full impact of the introduction of this standard will require assets and liabilities to be increased by the same amount, as operating leases will be treated in the same way as finance leases. In line with Home Office policy the only material lease that GLAA would recognise relates to buildings (Nottingham).

On transition, the lease liability will be measured at the value of remaining lease payments, discounted either by the interest rate implicit in the lease, or where this is not readily determinable, the incremental rate of borrowing advised by HM Treasury (1 per cent).

The impact of change on 2021-22 accounts would be:

IFRS16		
	2021-22 £000s	Restated £000s
<b>Statement of financial position</b>		
Asset	-	412
Liability	-	(412)
Lease commitment	310	-
<b>Statement of comprehensive net expenditure</b>		
Rent expense	110	-
Interest	-	4
Depreciation	-	108

## 2. Statement of operating costs by operating segment

In line with HM Treasury's Fees and Charges Guide, the GLAA is required to operate on a full cost recovery basis.

Significant costs remain subject to change following transition to the Home Office, including general IT and LAWS. Costs and fees will be reviewed with recommendations about how to bring fees and charges in line with guidance.

Function	2021-22			2020-21		
	Licensing £000s	Enforcement £000s	Total £000s	Licensing £000s	Enforcement £000s	Total £000s
<b>Expenditure</b>						
Staff costs	(1,572)	(4,093)	(5,665)	(1,458)	(3,874)	(5,332)
Operating expenditure	(686)	(1,097)	(1,783)	(615)	(1,428)	(2,043)
<b>Total</b>	<b>(2,258)</b>	<b>(5,190)</b>	<b>(7,448)</b>	<b>(2,073)</b>	<b>(5,302)</b>	<b>(7,375)</b>
<b>Income</b>						
Licensing	1,037	-	1,037	1,052	-	1,052
Other	-	145	145	-	97	97
<b>Total</b>	<b>1,037</b>	<b>145</b>	<b>1,182</b>	<b>1,052</b>	<b>97</b>	<b>1,149</b>
<b>Net income/ (expenditure)</b>	<b>(1,221)</b>	<b>(5,045)</b>	<b>(6,266)</b>	<b>(1,021)</b>	<b>(5,205)</b>	<b>(6,226)</b>

This analysis of income satisfies both the fees and charges requirements of HM Treasury and the same basis has been used for IFRS 8 Operating Segments, to show the cost of the licensing function.

## 3. Expenditure

### Staff Costs

	2021-22		2020-21	
	Permanently employed staff £000s	Other / temporary £000s	Permanently employed staff £000s	Other / temporary £000s
Staff salaries including PRP	4,042	172	3,772	134
Employee benefits as per IAS 19	(25)	-	37	-
Social security costs	441	20	422	16
Pension service costs	966	49	911	40
<b>Total</b>	<b>5,424</b>	<b>241</b>	<b>5,142</b>	<b>190</b>

## Operating Expenditure

	2021-22 Total £000s	2020-21 Total £000s
Travel and subsistence	244	115
Information technology	106	941
Marketing	10	15
Depreciation	334	320
Amortisation	318	75
Legal Costs	36	4
Recruitment	1	3
Accommodation	348	226
Training	70	20
Interpreters	26	41
External Auditors	36	35
Stationery/postage	8	20
Board Expenses	2	-
Professional Services/Advice	200	92
Other	44	136
<b>Total</b>	<b>1,783</b>	<b>2,043</b>

Information Technology spend was reduced following agreement from Home Office to reduce charges for infrastructure going back to when GLAA joined Home Office infrastructure, resulting in an in-year credit of £940,000. Amortisation costs increased following new licensing system going live in May 2022.

Accommodation costs in 2020-21 were reduced following the release of some historic accruals and agreement charges would not be backdated further.

The external audit fee was £35,700 in 2021-22 (£35,000 2020-21).

## 4. Revenue from Contracts with Customers

	2021-22 £000s	2020-21 £000s
Additional enforcement income from Department of Agriculture, Environment and Rural Affairs (DAERA), for regional food activity	100	100
Other income	45	(3)
<b>Total</b>	<b>145</b>	<b>97</b>

## 5. Licence fees and application inspections

Annual turnover	Fee Band	New applications (inspection and licence Fees) £	Application inspection fee £	Renewal fee £
£10m+	A	5,500	2,900	2,600
£5-10m	B	4,400	2,400	2,000
£1-5m	C	3,350	2,150	1,200
<£1m	D	2,250	1,850	400

Licence fees are based on gross annual turnover within the sector. Licence fees have remained unchanged since 2009.

Under the 2004 Act, the GLAA is required to establish a UK-wide licensing scheme and create a Public Register for gangmasters who are operating in agriculture, horticulture and shellfish gathering, and associated processing and packaging industries. Exclusions to this are set out in the Gangmasters (Exclusions) Regulations 2013.

### Licence fees

The number of licences issued was as follows:

#### In the year ending 31 March 2022

	Licences issued/renewed	Licence applications cancelled*	Licence applications refused	Licences revoked	Recognised £000s
Horticulture, agriculture, and shellfish	1,046	14	12	2	784

\*Previously reported cancelled licence applications included applications that had been started but not paid. This year, cancelled licence applications only includes those that have been paid, cancelled and refunded.

#### In the year ending 31 March 2021

	Licences issued/renewed	Licence applications cancelled	Licence applications refused	Licences revoked	Recognised £000s
Horticulture, agriculture, and shellfish	1,060	113	6	17	748

## Application inspections

Application inspection income is based on gross annual turnover within the sector, as identified in the table above. In 2021-22 inspection income was £253,000 (£304,000 2020-21). Income is recognised when the inspection is complete. The volume of outstanding applications increased when data as at 31 March 2021 and 31 March 2022 is compared and also is reflected in timeliness performance reporting which showed an increase.

## 6. Property, plant and equipment

2021-22	Plant and machinery total £000s	Information technology total £000s	Fixtures and fittings total £000s	GLAA total £000s
<b>Cost or valuation:</b>				
<b>At 1 April 2021</b>	41	1,598	101	1,740
Additions	-	-	58	58
Disposal	-	-	-	-
Adjustment	-	-	-	-
<b>At 31 March 2022</b>	41	1,598	159	1,798
<b>Depreciation:</b>				
<b>At 1 April 2021</b>	34	790	73	897
Charge for the period	5	316	13	334
Disposal	-	-	-	-
Adjustment	-	-	-	-
<b>At 31 March 2022</b>	39	1,106	86	1,231
<b>Net book value:</b>				
<b>At 31 March 2022</b>	2	492	73	567
<b>At 31 March 2021</b>	7	808	28	843
<b>Asset financing</b>				
Net book value owned as at 31 March 2022	2	492	73	567
Net book value leased as at 31 March 2022	-	-	-	-
<b>Carrying amount at 31 March 2022</b>	<b>2</b>	<b>492</b>	<b>73</b>	<b>567</b>



2020-21	Plant and machinery total	Information technology total	Fixtures and fittings total	GLAA total
	£'000s	£000s	£000s	£000s
<b>Cost or valuation:</b>				
<b>At 1 April 2020</b>	<b>41</b>	<b>1,568</b>	<b>112</b>	<b>1,721</b>
Additions	-	38	-	38
Disposal	-	-	-	-
Adjustment	-	(8)	(11)	(19)
<b>At 31 March 2021</b>	<b>41</b>	<b>1,598</b>	<b>101</b>	<b>1,740</b>
<b>Depreciation:</b>				
<b>At 1 April 2020</b>	<b>27</b>	<b>481</b>	<b>69</b>	<b>577</b>
Charge for the period	7	309	4	320
Disposal	-	-	-	-
Adjustment	-	-	-	-
<b>At 31 March 2021</b>	<b>34</b>	<b>790</b>	<b>73</b>	<b>897</b>
<b>Net book value:</b>				
<b>At 31 March 2021</b>	<b>7</b>	<b>808</b>	<b>28</b>	<b>843</b>
<b>At 31 March 2020</b>	<b>14</b>	<b>1,087</b>	<b>43</b>	<b>1,144</b>
<b>Asset Financing</b>				
Net book value owned as at 31 March 2021	7	808	28	843
Net book value leased as at 31 March 2021	-	-	-	-
<b>Carrying amount at 31 March 2021</b>	<b>7</b>	<b>808</b>	<b>28</b>	<b>843</b>

## 7. Intangible assets

2021-22	Software licence £000s	Assets under construction £000s	GLAA total £000s
<b>Cost or valuation:</b>			
<b>At 1 April 2021</b>	<b>2,174</b>	<b>1,261</b>	<b>3,435</b>
Addition	89	-	89
Disposals	(2,174)	-	(2,174)
Reclassification	1,261	(1,261)	-
Revaluation	-	-	-
<b>At 31 March 2022</b>	<b>1,350</b>	<b>-</b>	<b>1,350</b>
<b>Amortisation:</b>			
<b>At 1 April 2021</b>	<b>2,161</b>	<b>0</b>	<b>2,161</b>
Charge for the period	318	-	318
Disposals	(2,174)	-	(2,174)
Revaluation	-	-	-
<b>At 31 March 2022</b>	<b>305</b>	<b>-</b>	<b>305</b>
<b>Net book value:</b>			
<b>At 31 March 2022</b>	<b>1,045</b>	<b>-</b>	<b>1,045</b>
At 31 March 2021	13	1,261	1,274

2020-21	Software licence £000s	Assets under construction £000s	GLAA total £000s
<b>Cost or valuation:</b>			
<b>At 1 April 2020</b>	<b>2,254</b>	<b>171</b>	<b>2,425</b>
Addition	-	1,090	1,090
Disposals	(203)	-	(203)
Revaluation	123	-	123
<b>At 31 March 2021</b>	<b>2,174</b>	<b>1,261</b>	<b>3,435</b>
<b>Amortisation:</b>			
<b>At 1 April 2020</b>	<b>2,164</b>	<b>-</b>	<b>2,164</b>
Charge for the period	75	-	75
Disposals	(203)	-	(203)
Revaluation	125	-	125
<b>At 31 March 2021</b>	<b>2,161</b>	<b>0</b>	<b>2,161</b>
<b>Net book value:</b>			
<b>At 31 March 2021</b>	<b>13</b>	<b>1,261</b>	<b>1,274</b>
At 31 March 2020	90	171	261

Additions in 2021-22 included accruals of £0 (£183,000 in 2020-21).

The net book value of LAWS was £0 (£13,000 2020-21) and GLASS had a net book value of £1,045,000 and was still under construction in last financial year (£1,261,000 2020-21).

## 8. Financial instruments

The GLAA does not enter into contracts that use derivative instruments such as interest rate swaps or any other hedging facilities. The GLAA seeks to eliminate or minimise its exposure to interest rate and exchange rate risk by not making investments and does not have any contracts denominated in foreign currencies. Trade receivables and payables are not interest-bearing and are stated at their amortised cost, which is usually their invoiced amount. Cash at bank and in hand comprises cash in hand and current balances with banks, which are subject to insignificant changes in value. Liquidity risk is managed through the management of GIA funding through the Home Office.

As the cash requirements of the GLAA are met through Grant in Aid, financial instruments play a limited role in creating and managing risk than would apply to a non-public sector body. Financial assets within the accounts relate to cash and cash equivalents and trade receivables. Financial liabilities relate to payables balances, as per the Government commitment all undisputed and valid invoices must be paid within 30 days hence there is no exposure to discounting of these balances. The GLAA has no material exposure to currency, credit, liquidity or market risk.

## 9. Trade receivables, financial and other assets

	2021-22 £000s	2020-21 £000s
<b>Trade receivables:</b>		
Trade receivables	29	(21)
<b>Other receivables:</b>		
Prepayments and accrued income	162	228
Other receivables	-	-
<b>Total</b>	<b>191</b>	<b>207</b>

## 10. Cash and cash equivalents

	2021-22 £000s	2020-21 £000s
Balance at 1 April	743	960
Net change in cash and cash equivalent balances	(180)	(217)
<b>Balance at 31 March</b>	<b>563</b>	<b>743</b>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	563	743
<b>Balance at 31 March</b>	<b>563</b>	<b>743</b>

## 11. Trade payables and other current liabilities

	2021-22 £000s	2020-21 £000s
--	------------------	------------------

<b>Amounts falling due within one year</b>		
Other taxation and social security	130	17
Trade payables	-	2
Accruals	1,213	2,033
Contract liabilities	630	449
<b>Total</b>	<b>1,973</b>	<b>2,501</b>

£0 (£183,000 2020-21) of the accruals relate to capital and more information can be found in notes 6 and 7 on pages 84 to 87.

## 12. Provisions for liabilities

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position for legal and constructive obligations in existence at the end of the reporting period if the payment amount to settle the obligation is probable and can be reliably estimated. The amount recognised in provisions takes into account the resources required to cover future payment obligations. Measurement is based on the settlement amount with the highest probability.

	2021-22		
	Server Room decommissioning £000s	Legal £000s	Total £000s
Balance as at 1 April 2021	17	-	17
Provided in the year	-	-	-
Provisions not required written back	-	-	-
Provisions utilised in the year	-	-	-
Unwinding of discount	-	-	-
<b>Balance at 31 March 2022</b>	<b>17</b>	<b>-</b>	<b>17</b>

The provision for the server room relates to the cost of removal at the end of the lease (Jan 2030). This provision is not expected to become due until the lease break point at the earliest which is January 2025.

## 13. Capital commitments

	2021-22 £000s	2020-21 £000s
Contracted capital commitments at 31 March 2022 not otherwise included in these accounts:		
New Licensing system	-	121
<b>Total</b>	<b>-</b>	<b>121</b>

## 14. Commitments under leases

	2021-22			2020-21 (restated)		
	Buildings £000s	Vehicles £000s	Other £000s	Buildings £000s	Vehicles £000s	Other £000s
Not later than 1 year	110	14	-	110	103	-
Later than 1 year and not later than 5 years	200	-	-	310	-	-
Later than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>310</b>	<b>14</b>	<b>-</b>	<b>420</b>	<b>103</b>	<b>-</b>

This shows the building liabilities due up until the break clause (28 January 2025). This was incorrectly reported last financial year up to the lease end date (26 January 2030). This was reported last year incorrectly as £106,000 (not later than one year), £409,000 (later than one year and not later than five years) and £365,000 (later than five years).

Building lease commitments relate to facilities management charges associated with the proportion of occupation of buildings that are either owned or leased by the Home Office or specialised properties held on its Statement of Financial Position.

Vehicle leases relate to vehicles secured through government auctions and provided to home based operational staff, where this provides a more cost-effective travel solution to staff using their own or hire vehicles.

## 15. Related party transactions

The GLAA is a NDPB of the Home Office. The Home Office is regarded as a related party. During the year, the GLAA has had a number of material transactions with the Home Office.

In addition, the GLAA has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with:

- The Cabinet Office
- Defra
- DAERA

During the year GIA has been received from the Home Office as disclosed in the Statement of Cash Flows on page 73.

The GLAA had no transactions with the organisations identified by senior managers under the Declarations of Interest.

A formal register of interests is received from the CEO and COO on an annual basis and is included on page 62. Payment to the CEO and COO has been disclosed as part of the Remuneration and Staff Report on page 54.

During the year, no Minister, senior manager, or other related party has undertaken any material transactions with the GLAA, the Home Office or any other government departments.

## **16. Events after the reporting date.**

There were no significant events after the reporting period that require disclosure. In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue.

The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General's audit certificate on pages 65 to 70.

## **17. Contingent liabilities**

As at 31 March 2022, the GLAA has no contingent assets or liabilities (2020-21 none).



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