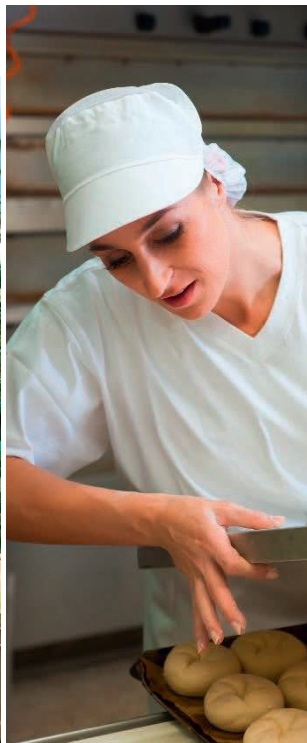




Gangmasters &  
Labour Abuse Authority

# Gangmasters and Labour Abuse Authority Annual Report and Accounts

1 April 2019 to 31 March 2020



This version replaces the version presented to Parliament on 21 January 2021, which has been withdrawn. Copies will be provided free of charge to all known recipients of that version.

HC 1099

Working in partnership to protect vulnerable and exploited workers



Gangmasters &  
Labour Abuse Authority

# Gangmasters and Labour Abuse Authority Annual Report and Accounts

**1 April 2019 to 31 March 2020**

Presented to Parliament pursuant to section 23  
of the Gangmasters (Licensing) Act 2004

Ordered by the House of Commons to be printed  
10 February 2021

This version replaces the version presented to Parliament on 21 January 2021, which has been withdrawn. Copies will be provided free of charge to all known recipients of that version.

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Photo: [Antiquary](#)

5 February 2020 marked the 16<sup>th</sup> anniversary of the Morecambe Bay tragedy, which brought home to all of us the high price paid by those exploited for their labour.



# Performance Report: Overview

The purpose of this overview is to give the user a short summary that provides them with enough information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. This is a standalone section that is designed to meet the needs of general users of the report.

## About us

### Who we are

The Gangmasters and Labour Abuse Authority (GLAA) is a regulatory, law enforcement and compliance body charged with preventing, detecting and tackling labour exploitation across the UK.

The GLAA is a Non-Departmental Public Body (NDPB), sponsored by the Home Office, sometimes also described as an Arm's Length Body. The GLAA office is situated in Nottingham where - in normal operations - just over 40 per cent of the team are based. They undertake core central functions including licensing, intelligence, finance, risk and information assurance, IT, communications and HR. Just under 60 per cent of the team are home based and undertake regional intelligence, investigation and compliance roles across the UK.

Our mission is **working in partnership to protect vulnerable and exploited workers**. Our teams use a range of means in delivering the mission of the GLAA. They are bold, committed and highly skilled, they work readily with partners and collaborate to deliver for victims and tackle those who seek to exploit them.

The roots of today's GLAA lie in the significant changes made to the original Gangmasters Licensing Authority (GLA) in 2016. At this time the GLA received new powers<sup>1</sup> to act against labour abuse in the wider labour market, not just in the regulated sectors of agriculture, food and food processing (where we licence labour providers and set standards) and was renamed the GLAA.

Our remit in Scotland and Northern Ireland currently remains in line with the original scope of the 2004 Gangmasters (Licensing) Act (the GLA Act) through which the GLA was created, and we cannot act against labour abuses outside of the regulated sectors.

The organisation now works both independently and in concert with its law enforcement partners both within policing, central and local government. Our objective in these partnerships continues to be to identify, disrupt and dismantle serious and organised criminality, across the spectrum of labour market offences, from withholding holiday pay to serious Modern Slavery offences in which criminals seek to exploit human assets for profit.

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<sup>1</sup> Use of these powers does not extend to Scotland or Northern Ireland

In addition to our licencing and enforcement commands, we also work with partners to deliver activity which is focussed on preventing exploitation by improving awareness of the rules, helping workers understand their rights and where they can report exploitative behaviours.

There are around 1,000<sup>2</sup> licensed gangmasters, based in both the UK and overseas, who supply temporary contracted workers in the regulated sector. The GLAA can use civil inspection powers as well as criminal enforcement powers in relation to the licensed sector. Our officers conduct application and compliance inspections using a licencing standards framework throughout the duration of a licence.

Our investigative teams are empowered to investigate offences of operating without a licence or using an unlicensed operator; some officers are also authorised to exercise wider powers under the Police and Criminal Evidence Act 1984 (PACE) in relation to labour market offences.<sup>3</sup>

The GLAA is a body under the Home Office, but which is operationally independent and governed by a non-executive board, consisting of up to eight members plus a chairperson. The Board provides the 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.

The GLAA's policy leadership is through the Home Office Serious and Organised Crime Group and it is audited regularly through Government arrangements with Government Internal Audit Agency (GIAA) and the National Audit Office (NAO). Due to the powers some officers exercise we are also subject to oversight of conduct and use of powers by the Investigatory Powers Commissioner's Office (IPCO); the Independent Office for Police Conduct (IOPC) and the Parliamentary and Health Service Ombudsman (PHSO), in relation to complaints. And in 2018 we were subject to inspection by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

As identified in the forward below, the GLAA welcomes government proposals to bring together a range of bodies in a Single Enforcement Body (SEB). GLAA see these proposals will bring together and enhance the government response to labour exploitation and accordingly presents this annual report and accounts on a going concern basis as identified in the accounting policies.

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<sup>2</sup> This total varies as labour providers join and leave the regulated sectors.

<sup>3</sup> Labour market offences are defined in section 3(3) of the Immigration Act 2016

# Foreword



**Margaret Beels**  
*Chair*



**Ziggy MacDonald**  
*Interim Chief Executive*

Throughout the 2019-20 financial year Michael Rich was the GLAA's Chief Executive and Accounting Officer. Michael led work on a restructuring of the GLAA and promoted new GLAA values. He provided continued focus on risk management, improving processes and developing a more resilient organisation. Michael left the GLAA on 31 July 2020 and what follows reflects the GLAA's year during his tenure as Chief Executive.

Protecting vulnerable workers from exploitation is the core purpose of the GLAA – it's in our DNA. Our licensing and compliance functions, the increasing work we do in prevention and the powers we have as an enforcement agency, are all geared towards our ultimate aim of protecting vulnerable and exploited workers.

Through their work, GLAA colleagues see first-hand the devastating impact forced and compulsory labour has on its victims; people living in squalid conditions, forced to work in unsafe environments, bound by debt bondage and very often facing threats and coercion that leave them fearful of their exploiters.

It is this that drives our organisation to do whatever it takes to prevent workers from being exploited, identify and help those who sadly already are, and pursue those who have no scruples about using people as commodities.

In the last year the number of potential victims of exploitation we identified more than doubled to 15,186 (7,550 2018-19). We don't celebrate that number; it demonstrates the scale of the challenge and reminds us that our reach, and our investigative capability, must remain robust and innovative.

Workers in forced and compulsory labour very often don't perceive themselves to be 'victims' – this is especially true of migrant and overseas workers. These complexities contribute to the challenges we face, for example, in persuading victims to enter the National Referral Mechanism<sup>4</sup> (NRM), where appropriate (although in all cases victims are

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<sup>4</sup> A national system for identifying victims of human trafficking and ensuring they receive the appropriate protection and support.



registered even if they choose not to enter the NRM). And where possible, the GLAA seeks to be proactive with victims of exploitation to enable them to find good work and secure accommodation.

Our licensing scheme is used to regulate businesses who provide workers to the fresh produce supply chain and horticulture industry, to make sure they meet the employment standards required by law. It remains the lynchpin of our efforts to help protect people working in this regulated sector, and we licence more than 1,000 businesses providing workers in the areas of agriculture, horticulture, food processing & packaging, and shellfish gathering.

Gaining a licence is an endorsement of a business's fitness and capability to provide workers within a safe, healthy and legal environment. It is right that the criteria for attaining one should be robust and fit for purpose, but also that new businesses should be encouraged to enter the sector. That is why over the last year we have worked to reduce the days taken to get a licence from 76 to 66. And while the number of applications leading to an inspection is slightly down on 2018-19, the number of refusals has remained the same, demonstrating our continued focus on maintaining standards. Similarly, in our work to ensure licence holders are compliant with the licensing standards, days taken to complete compliance investigations have fallen significantly, from an average of 185 to 88.

Our intention is to reduce both these numbers further as we introduce new licencing software and enhance the role that risk assessment plays in each individual case. Our industry partners are vital to our mission and their support and challenge helps us deliver a robust regime which can be navigated easily by legitimate business.

Prevention is also a very important element in protecting vulnerable workers, and the GLAA remains very active in this area. We believe that by raising awareness amongst workers, educating businesses and helping signpost people to the right information, this can and will make a difference in helping reduce forced and compulsory labour.

One of the ways we have been doing this is through joint protocols with industries where we don't have powers to licence - such as construction, retail and clothing manufacture - but where we know we can help protect workers through partnerships and innovative approaches. These protocol agreements give the private sector a real opportunity to design out exploitation from their sectors, through sharing information, sharing best practise and collaborating of audit standards and ethical frameworks.

There are now more than 200 construction companies who are signatories to the construction protocol – testament to the willingness of legitimate business to ensure worker rights are protected.

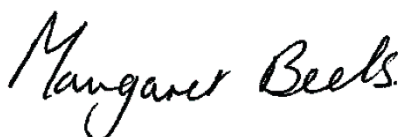
Equally, we won't hesitate to use the enforcement powers given to us, illustrated by almost 400 investigations our officers have carried out over the last twelve months – the majority (226) of which were GLAA-led enquiries. This has led to numerous arrests, enforcement orders, and convictions, including of people involved in serious criminality.

It is through this mixed economy of licensing, compliance, prevention and enforcement that the GLAA pursues its goal of eradicating forced and compulsory labour.

Looking forward, the GLAA welcomes the government's commitment to create a SEB and its ambition for what such a body could deliver. The GLAA believes workers can be better protected through a cohesive approach that sees the GLAA, the Employment Agency Standards Inspectorate from the Department for Business, Energy and Industrial Strategy (BEIS) and HMRC's National Minimum Wage team brought together with enhanced capabilities, especially around intelligence collection combined into a stronger and more effective single body.

Finally, the end of the financial year coincided with the coronavirus (Covid-19) pandemic and like thousands of businesses and organisations, the GLAA successfully migrated to carrying on its business away from the office. At the peak of the initial outbreak GLAA prioritised high harm activity but has quickly returned to full field operations. Our teams have been exceptional during this time, remaining focussed on their mission and the people they are working to protect.

The effects of the economic disruption from Covid-19 and changes to overseas workers' rights to work in the UK from January 2021 will undoubtedly cause changes in the domestic labour market. We will remain vigilant in relation to the potential for labour exploitation as new threats are identified.



**Margaret Beels**  
*Chair*



**Ziggy MacDonald**  
*Interim Chief Executive*

# Chief Executive's Report

This was a challenging year for the GLAA, especially as it worked through a significant internal reorganisation while continuing to deliver on its mission to protect vulnerable workers. Despite the challenges, this annual report sets out what the GLAA has delivered, including the demonstration of increased levels of protection and remedy for exploited workers, achieved through the continuing commitment of GLAA officers.

## Protect

Protecting vulnerable workers remains at the heart of what we do. In our enforcement activity the identification of potential victims, who may require support services through the NRM, is a key element of that action. During 2019-20 we also recognised that the contribution of our compliance and licensing activity to victim identification could be more effectively measured. Whilst the extent of exploitation identified in inspections of our licence holders may not reach the threshold of forced and compulsory labour, or justify consideration of the NRM, significant reparations for affected workers, such as in withheld wages or holiday pay could be achieved. We therefore revised our operational target on victim identification from the figure published in the [Business Plan for 2019-20](#) to include victims identified from compliance activity. Our target was 7,396. It was therefore an exceptional year as our inspectors identified and supported 2,091 potential victims from enforcement action, and a further 13,005 from compliance inspections. This second significant number, while potentially not typical as a small number of cases contributed to this result, nonetheless illustrates the tenacity of our inspectors in pursuit of a fair outcome for workers.

In addition to the valuable role that operational colleagues provide as first responders in contact with potential victims, we also need to find new ways to engage with communities. This is essential to raise the awareness of workers as to what behaviours constitute exploitation, breaching their fundamental rights, and increase workers' confidence in contacting us.

## Prevent

Led by intelligence, we have focused our proactive prevention activity on high risk industry sectors. It is important to assist those industries to recognise the threats to workers, and their businesses, and to take steps to protect their supply chains from the infiltration of exploitation. We have continued to develop our reach in construction, textiles, and more recently hospitality through the use of joint agreements ("protocols"), which commit signatories to work in partnership to protect vulnerable workers. During the year the construction industry protocol landed its 200<sup>th</sup> signatory. But signing a document itself will not prevent exploitation and support the GLAA. That is why we are continuing to examine ways to assess the effectiveness of our prevention activities. As part of this approach we undertook a survey of the Construction Protocol signatories, to identify what changes they had made to business practices. Of those businesses surveyed, 65 per cent confirmed that since becoming a signatory to the protocol they had made changes to their due diligence to identify and prevent labour exploitation in their supply chain.

Throughout the year, we provided training and support to a diverse range of stakeholders including local authorities, government departments, businesses, trade bodies and Non-Governmental Organisations (NGOs) so that they better understand the signs of labour exploitation and how to report it. Our evaluation of the impact of this training points to a high level of awareness, which is encouraging. In 2020-21 we will be undertaking a similar approach with a particular focus on the Textile and Hospitality Protocol groups. This will also improve our understanding of what works, and how we can apply that learning more broadly, for the GLAA, and other industry stakeholders.

In addition, education and training providers from across the UK will now be able to access ready-made tutorials and innovative visual resources following the culmination of our partnership with Boston College, reported on last year as the first time the GLAA had worked with a college to embed the subject of labour abuse within the curriculum. The materials designed by staff and students at the College brings to life crucial information on spotting the signs of modern slavery and how to report concerns to the GLAA. An evaluation of the pilot has been conducted and published by the University of Nottingham's Rights Lab, home to the world's leading modern slavery experts. Work will continue to take forward the learning from this pilot project and engage with the post-16 education sector to deliver a UK wide education and awareness programme on modern slavery and labour exploitation to students and apprentices.

Licensing is also a core element of prevention, by ensuring we maintain a level playing field for compliant businesses that protect their workers from abuse. We identified 297 potential breaches of our standards in 2019-20, and in 23 cases revoked the licence, three of which were so serious to warrant revocation with immediate effect. It is equally important to maintain a service to the compliant licence holders, to encourage them to maintain legitimate operations that treat workers fairly, and we are re-developing our licensing system to provide that improvement, which should be operational in 2020-21.

**Revocation with Immediate Effect - Case Study 1:** In January 2020, we were made aware of a labour provider where the Principal Authority (PA) had left the business in December 2017. We undertook an investigation and discovered several reportable changes to the directorships of the business, none of which had been reported to us in accordance with the Standards. Having considered all the information available, and after trying, unsuccessfully, to contact the business, it was decided that the directors of the business could not be deemed fit and proper as they had not shown a readiness and willingness to comply with the licensing system. Also, as there had not been a PA in post since at least December 2017, it was unclear who was responsible for the management of the business on a day to day basis, and this was not a situation we could allow to continue. Therefore, the licence was revoked with immediate effect.

**Revocation with Immediate Effect - Case Study 2:** We had several concerns regarding one of our licence holders (business A). We were concerned that business A was being used as a front for another business (business B) that had had its licence revoked for numerous non-compliances in December 2017. There were several factors which led us to this conclusion including:

- the location of the businesses (they were based within 1 mile of each other),
- the timing of the licence application from business A (business A applied 3 months after business B was revoked and while business B was in appeal),
- the fact that business A supplied workers to the same labour user that business B supplied to; and
- the fact that the workers on business A's payroll were the same as those that had been on business B's payroll.

Moreover, the PA of business A was no longer employed by the business but had continued to be paid to remain named as the PA. Also, there were several reportable director changes at the business which were not reported to the GLAA. It was deemed that none of the directors had shown a readiness and willingness to comply with the regulatory system and had deliberately withheld information from the GLAA. As it remained unclear who was running the business, the licence was revoked with immediate effect.

## Pursue

As recognition of our wider powers and authority in England and Wales continues to grow, the demand for our interventions expands. This places significant pressures on our relatively small enforcement resources in the UK. Nonetheless, we have seen a 26 per cent increase in the number of investigations led by the GLAA, with 47 per cent of all cases investigated being multi-agency partnerships – recognition of the role we play and the positive impact we bring to investigative outcomes. At the national level, working with police and National Crime Agency (NCA) colleagues particularly, our leadership and expertise in labour exploitation cases is recognised by the requirement for the GLAA to lead and plan the annual labour exploitation intensification programme of activity (Operation Aidant).

We continue to evaluate our successes and our intelligence-led approach to ensure that we investigate the cases with the highest risk of victim exploitation. In the year we commissioned a benchmarking review of our approach by Devon and Cornwall Police, and were encouraged by the feedback, which improved our tasking processes further.



## Couple jailed for exploiting workers

A husband and wife were jailed for a total of nearly five years after admitting exploiting at least 41 workers.



Alexander Goran and his wife Ana Marie Goran recruited workers from Romania with the promise of employment and accommodation. Once they were in the UK, Alexander - supported by his wife - controlled their wages, directed them to live in cramped, sub-standard housing, and even gave some of them false identities so they could work two separate shifts at a food processing factory in Greater Manchester.

The pair were arrested following a multi-agency operation in March 2018, which saw victims removed from the properties and taken to a reception centre. The Gorans, both Romanian nationals, fled to Spain but were arrested by Spanish authorities.

Alexander pleaded guilty to acting as an unlicensed gangmaster and conspiring to commit fraud by abuse of position and was jailed for three-and-a-half years. His wife was jailed for 15 months after admitting aiding and abetting an unlicensed gangmaster.

## Partnership

### Leicester community workshop

The GLAA, in partnership with the Leicester, Leicestershire and Rutland Modern Slavery Action Group, brought together community and faith leaders and delivered a highly interactive session helping attendees spot the signs of modern slavery and labour exploitation. Information and resources including leaflets, posters and films were made available to attendees, allowing them to develop their skills and knowledge in protecting some of the most vulnerable people in their communities and knowing how to report their concerns. This activity forms part of a wider community engagement strategy with a specific focus on the textile industry in the city, as the GLAA recognises it as a high-risk industry for labour exploitation.

### The Clewer Initiative

The GLAA is a significant partner in the development of the Farm Work Welfare App. This is a new tool to help support rural employers, promote workforce welfare and tackle rural labour exploitation and modern slavery. For employers it offers a pocket resource to help them navigate and strengthen their processes and prevent labour abuse and exploitation within their operations. For workers it is designed to help them understand their rights and know what they can expect from this type of work and enables users to report any concerns they have in a safe and simple way. The App was launched in July 2020.

The Farm Work Welfare App was commissioned and funded by The Clewer Initiative and developed in partnership with the GLAA, the NCA, the Fresca Group, the Modern Slavery Helpline/Unseen and the Church Commissioners for England.

### Using social media to prevent exploitation



The GLAA teamed up with Crimestoppers to educate job-seekers about fake recruitment adverts on Facebook. We identified that gangs have been running ads through the social media network targeting young Romanian men. The adverts promote job opportunities for highly paid labour/construction work in London. In reality, this is often not the case and no job exists. The GLAA joined forces with the crime-fighting charity to educate potential victims that these adverts are not always what they seem. Playing perpetrators at their own game, adverts were placed on Facebook appealing to those searching for work.

The adverts then clicked through to a Crimestoppers webpage, full of information about what to look out for when seeking employment in the UK construction industry.

The campaign, which targeted Romanian men age between 18-34, reached over 900,000 people. There was a 13 per cent increase in reports relating to modern slavery, and a 400 per cent increase in modern slavery reports relating to Romanian victims.

### International

During the year we emerged into the post-Brexit world, which has begun to present new challenges for us in relation to our liaison with other countries. This is expected to become a wider challenge in 2020-21 when we will potentially need to liaise with other non-European Union (EU) countries to seek assurances regarding the compliance of labour suppliers based outside the United Kingdom (UK) and EU. Our experience and remit continue to be called upon as a model of good practice, and we have provided input into cross-border investigation guidance for the new European Labour Authority. The GLAA is also continuing to support the Europol-led cross-Europe labour exploitation campaign, which we run as Operation Aidant within the UK.

More broadly we have supported initiatives by our Foreign and Commonwealth Office (FCO) colleagues, with the United Nations, on preventing exploitation in agriculture. As part of this, the GLAA has hosted visits from Middle East countries, and has provided other targeted advice at the request of the FCO.

Our partnership with the International Organization for Migration (IOM), continues to support training for labour inspectors, albeit remotely such as in Azerbaijan, and the continuing project to introduce international standards for the recruitment industry, which we supported, leading to the IOM report: "[Recommendations on Recruitment: A Road Map towards Better Regulation](#)".

## Our People

In 2019-20 our people came together during the annual seminar to refresh our core values to ensure they truly represent the key behaviours the GLAA strives for – integrity, respect, commitment, professionalism and teamwork. We've introduced a nomination scheme to recognise individuals living our values and included behaviours within our Performance and Development Review (PADR) process. Engagement with our People Survey Working Group resulted in changes to the PADR process and the implementation of a "Just Ask" forum on our intranet as part of improving transparency and engagement. A Senior Management restructure was also undertaken and finalised in early 2020-21, with a new Leadership Team being established.

## Social and Environmental Matters

The GLAA is committed to reducing the impact of its activities on the environment, in line with 2016-2020 Greening Government Commitments. These details can be found through (<https://www.gov.uk/government/collections/greening-government-commitments>), which provides annual reports on sustainability. The GLAA does consider both the external impacts we have through the influence we exert on other industries through our regulatory responsibilities, and internally through our approach to reducing our carbon footprint in relation to essential journeys and our accommodation.

The GLAA is also committed to using technology where it can reduce travel, and in 2019-20 this has included the use of Skype and video conferencing in addition to standard conference call facilities where appropriate.

## Integrity and Counter Bribery Protections

The GLAA is committed to the highest standards of ethical conduct and integrity in its business activities. The GLAA will not tolerate any form of bribery by, or of its, employees, agents or consultants or any person or body acting on its behalf. The GLAA will fully investigate any instances of alleged or suspected bribery in line with its Disciplinary Policy and Procedure. The organisation communicates its Anti-bribery Policy and Procedure on an annual basis and individuals are required to state that they have read and understood the policy. Where necessary the GLAA will set up training sessions. The same applies to Protected Disclosure matters and the organisational approach to this is set out in the GLAA Protected Disclosure Policy and Procedure.

## Going Forward

We ended the year in the exceptional circumstances of the national and international lockdown due to the Covid-19 outbreak. Despite the additional challenges this presented to our organisation and our people, we maintained our operational capability, continuing to protect vulnerable workers in difficult times – prioritising field work and ensuring all the key functions that make up the GLAA were able to operate in the best way possible.

The coming year will inevitably present new challenges for the GLAA. We look forward to playing our full part in the design and development of the SEB. Our forward task is to ensure we are stronger as a result of the learning from Covid-19, how it affected the workers we engaged with, the sectors we work with and the experience of our people.

Recognising that our business model has allowed us to keep functioning and deliver our role we want also to understand how remote working impacted our people and what working arrangements will work best in future.

We anticipate the economic environment in which we are operating will shift. We will be prepared for that. The GLAA is built on its creativity, common purpose and the quality of its people. These will allow us to continue to deliver a disproportionately big impact for our small size.

A handwritten signature in black ink, appearing to read 'Ziggy MacDonald', written in a cursive style.

**Ziggy MacDonald**  
*Accounting Officer*

# Performance Analysis

## How we delivered against our strategic objectives in 2019-20

The GLAA has a single overarching aim, working in partnership to protect vulnerable and exploited workers and this is achieved through our six strategic objectives.

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

Our performance against the six objectives is set out below. As per our 2019-20 Business Plan, for each objective we report on our achievement against what we planned to deliver, and then under the aims of the objective, we show our performance against the measurable targets that we set.

The GLAA, with support from the GIAA and the Home Office, has been working to improve and refine its performance management framework and risk management. This framework and its objectives are set to make sure it achieves its overarching aim within the resources it has or can call on through working in partnership. The GLAA, through both performance and risk management, seeks to ensure that it meets its objectives and can take early action when issues are identified. Both risk and performance management are focused on areas of uncertainty which are monitored on a regular basis throughout the financial year.

The GLAA Board receive regular performance reports and analysis of variance between targets set and previous performance and seeks to understand that variance. In the same way, it seeks to manage risk and look at over and under-achievement against its risk appetite. It also challenges the Executive Management Team to put plans in place to ensure performance and risk are managed appropriately. This includes monitoring of external factors which may impact performance and risks for the organisation.



## Overall Assessment

The GLAA set a range of deliverables and targets against each key objective and has assessed if these were either fully, partially or not achieved. Against each objective there is an overall assessment of how far the GLAA achieved its objectives based on the deliverables and targets.

The objectives were assessed as:

- 'Achieved' if two thirds or more of the targets delivering that objective were achieved or partially achieved; or
- 'Partially achieved' if more than half the deliverables/targets were achieved or partially achieved.

The deliverables/targets were assessed as:

- 'Fully achieved' if all the deliverables/targets were met or exceeded;
- 'Partially achieved' if more than 50 per cent of the targets/deliverables were met but less than 100 per cent; or
- 'Not achieved' if less than 50 per cent of the targets/deliverables were met.

Objective	Overall Assessment	Deliverables and Targets achieved				% Fully & Partially Met
		Total	Fully achieved	Partially achieved	Not achieved	
1	Achieved	10	7	2	1	90
2	Achieved	9	4	5	-	100
3	Partially Achieved	11	3	4	4	64
4	Partially Achieved	8	3	2	3	63
5	Achieved	12	4	4	4	67
6	Achieved	11	7	1	3	73
<b>Total</b>		<b>61</b>	<b>28</b>	<b>18</b>	<b>15</b>	<b>75</b>
<b>Percentage</b>		<b>100</b>	<b>46</b>	<b>29</b>	<b>25</b>	<b>75</b>

Overall the GLAA fully achieved 46 per cent of its deliverables and targets set under its objectives and partially achieved 29 per cent. The GLAA deliverables and targets were deliberately set to be challenging, so it is not surprising that not all of these were fully met. Some of the deliverables and targets not achieved reflect changes agreed with Board due to new risks and issues that emerged. The GLAA also continues to work on refining how it presents its performance, so it captures more fully its achievements.

# Objective One

## Identify and support victims of labour exploitation

Key deliverables	
<ul style="list-style-type: none"><li>Strengthened relationships with victim services and wider law enforcement to ensure that victims are provided with a high standard of service.</li></ul>	<p><b>Fully Achieved</b> - The GLAA were involved in the review of the NRM and the creation of the Single Competent Authority. We have a strategic and operational relationship with the Salvation Army who deliver the current victim contract.</p>
<ul style="list-style-type: none"><li>Identification of key business and third sector partners with whom we can work in partnership to rehabilitate and elevate exploited workers into a 21st century standard of living.</li></ul>	<p><b>Fully Achieved</b> - In partnership with the Chartered Institute of Building and signatories of the construction protocol we have produced practical tools designed to prevent modern slavery and labour exploitation on building sites. The package includes a presentation for new starters which will be shown at the end of Health and Safety inductions, along with complementary posters on spotting the signs of labour exploitation and a toolbox talk aimed at raising awareness of workers' rights on site.</p>
<ul style="list-style-type: none"><li>Increased identification of victims through supporting networks of existing frontline groups (such as NHS, local authorities, Department for Work and Pensions (DWP), etc.) in spotting the signs and providing relevant intelligence.</li></ul>	<p><b>Fully Achieved</b> - We have a significant improvement in the numbers of victims identified across GLAA business: 15,186 in 2019-20 (7,550 2018-19). We have strong working relationships at an operational level and regularly get referrals in around victims and we have reciprocal arrangements to do the same where victims not at immediate risk are referred into other agencies. The GLAA also undertook a series of workshops to enhance awareness with DWP frontline counter fraud officers.</p>
<ul style="list-style-type: none"><li>Increased understanding of what victims require and improving what we do, contributing to the review of the NRM, increasing the satisfaction in the GLAA's role in victim support and developing options for further support the GLAA could offer.</li></ul>	<p><b>Partially Achieved</b> - The GLAA contributed to the review of the NRM and the creation of the Single Competent Authority. Both the victims and witnesses' policies and procedures were rewritten and agreed during this year. The work on better understanding victims needs and improving what the GLAA do will continue into 2020-21.</p>

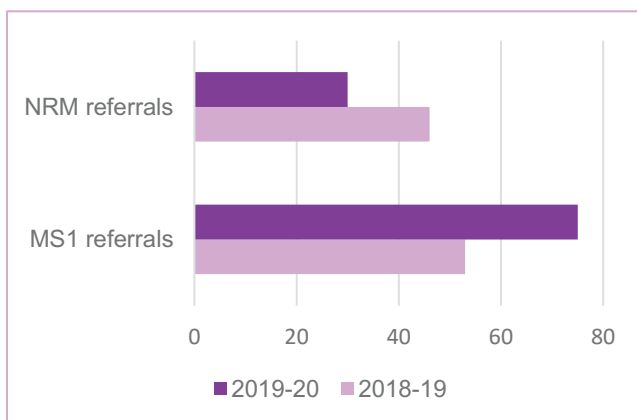
- Wider public awareness and industry specific campaigns in conjunction with partner organisations, maximising the use of social media, in order to raise awareness of labour exploitation and increase victim identification.

**Fully Achieved** - Our social media reach increased by 39 per cent in 2019-20, with nearly 400,000 impressions on our social media platforms per month; we ran a joint campaign with Crimestoppers aimed at targeting Romanian nationals who are recruited through Facebook by exploiters – this reached almost 1 million users; creation and delivery of a bulletin to more than 1,500 organisations and stakeholders.

## Aim: To work towards prioritising victims as part of our investigations

**Partially Achieved:** Overall, the GLAA has demonstrated improved victim identification this financial year, and strong support in respect of monetary recoveries. This financial year has marked improvements both in terms of increasing identification of victims, as well as improved data standards, helping to build the intelligence picture surrounding nationalities, ages and genders of potential victims and in which sectors they are working.

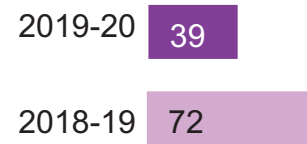
### Target: To increase by 10% potential victims assisted (directly/indirectly)



The figures in relation to GLAA NRM referrals (including assists) have reduced, but the GLAA's increased rate of MS1 submissions indicate a shift in the profile of victims encountered. Overall referrals (NRM+MS1) continue the upward trajectory. With regards to MS1s, it is a mandatory requirement to submit a MS1 if we come across someone who we suspect is a victim of modern slavery but who does not consent to being referred into the NRM.

### Target: To increase by 20% number of tier 1 resolutions (regulated sector only)

In 2018-19, 72 tier 1 resolutions were completed which affected 53 workers, however the 39 resolutions in 2019-20 affected 2,374 workers. This shows that whilst the number of actual resolutions has reduced, these have assisted more workers and involved more money recovered.



### Target: To increase by 25% withheld wages and holiday pay recovered



## Objective two:

Maintain a credible licensing scheme, creating a level playing field, and promoting compliant business growth

Key deliverables	
<ul style="list-style-type: none"><li>Review of the licensing and compliance process in order to identify opportunities to streamline and improve services to applicants.</li></ul>	<p><b>Partially Achieved</b> - A design thinking workshop in relation to the application process was held in July 2019 and identified areas for review. Following the departure of the Head of Licensing and the restructure, this work was paused. This work will continue in to 2020-21 as part of the development of a Compliance Strategy.</p>
<ul style="list-style-type: none"><li>New IT platform for the licensing system to deliver further improvements to processes and ensure a resilient foundation for current and future licensing activity.</li></ul>	<p><b>Partially Achieved</b> - The GLAA has selected a supplier and is coming to the end of the build phase for the new Licensing system – GLASS. The new system is expected to go live in 2020-21.</p>
<ul style="list-style-type: none"><li>Work with partners to assist shaping further proposals for expansion of licensing to other sectors.</li></ul>	<p><b>Partially Achieved</b> - The contribution to SEB consultation reflected, in part, the input gained through GLAA Liaison Groups. Resource constraints have impacted on taking this forward. Further work awaits the outcome of the SEB consultation, which closed in October 2019.</p>
<ul style="list-style-type: none"><li>A fully costed business model that accurately assesses the cost of functions to support licensing activities to enable a review of licence fee levels and the development of options for moving closer to full cost-recovery in line with government policy.</li></ul>	<p><b>Partially Achieved</b> - Detailed analysis of the application process activities has been completed and analysis of compliance activities is progressing. This work will continue to completion in 2020-21.</p>
<ul style="list-style-type: none"><li>Timely communication of legislative changes affecting licensing standards to licence holders through the GLAA Brief series.</li></ul>	<p><b>Fully Achieved</b> - There were no significant legislative changes that required a GLAA Brief during 2019-20, however, information on other changes has been included in the <a href="#">partnership bulletins</a> which were launched in August 2019.</p>

- Support to government departments and provide feedback on the Seasonal Workers Pilot and any further schemes introduced as a result of Brexit.

**Fully Achieved** - The GLAA has supported the programme by carrying out joint inspection visits with the lead Home office team, UK Visas and Immigration to labour user sites and has contributed to the evaluation of the scheme.

### Aim: To address the time it is taking to process a licence application, ensuring this is kept to the standard

**Fully Achieved:** All cases have been tasked quicker this financial year, and licensing decisions were made in a timely fashion.

<b>Target: reduce the average of 68 days</b> based on days taken to complete licensing applications, broken into sections of process from the licence fee being cleared to the licensing decision being made.	2019-20	66 days
	2018-19	76 days

### Aim: To review the time taken to complete a compliance investigation, allowing us to target persistent non-compliance in the regulated sector

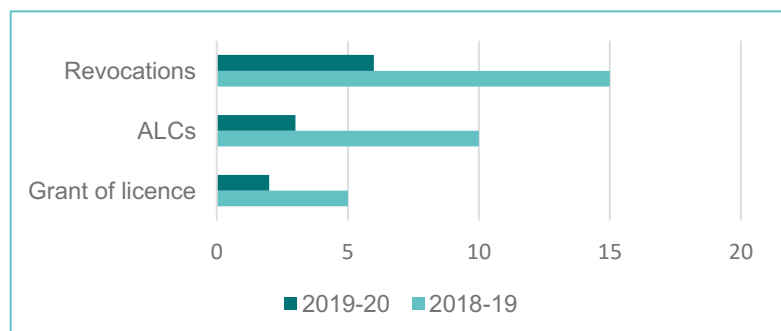
**Partially Achieved:** While this target has been met in relation to investigations tasked from the start of the financial year, it cannot be demonstrated with respect to older cases.

<b>Target: reduce to 90% in 166 days</b> based on days taken to complete compliance investigations, broken into sections, from date raised to report submitted to licensing for a decision.	2019-20	88 days
	2018-19	185 days

### Aim: To reduce the time taken to make licensing decisions

**Fully Achieved:** Overall, GLAA performance this year indicates the maintenance of a credible licensing scheme, with cases being completed quicker, and licensing decisions made in a timely fashion. Licensing decision targets have been met in all three areas, which have all contributed to the time taken to complete application and compliance inspections this financial year. The durations have improved despite similar numbers of licence refusals, and slightly increased numbers of revocations. There has been a slight reduction in the issuing of Additional Licence Conditions (ALCs).

**Target: To improve by 10% for revocations (14 days); ALCs (9 days); and granting of licence (4 days).** Based on days taken to make a licensing decision once all information is available.





## Objective three:

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

### Key deliverables

- Led by intelligence and focusing on risk, development, delivery and evaluation of a range of industry-led approaches to prevent exploitation including:
  - the Responsible Car Wash Scheme and its code of practice, as it works to assess and accredit good car wash operators
  - the Construction protocol, as the partnership grows and provides opportunities to embed awareness-raising and prevention within industry practice
  - the development of a standards model to tackle nail bars, informed by work to scope the size of the nail bar industry, building on work in Greater Manchester and activity within the London Boroughs
  - the Apparel and General Merchandise Public and Private Protocol as it works through textiles supply chains to protect vulnerable and exploited workers.

**Fully Achieved** - Signatories to the Construction protocol have grown to over 200 during 2019-20. The effectiveness of the protocol has been demonstrated by survey analysis, including increased due diligence and action to prevent labour exploitation and modern slavery. The survey also identified improvements to worker conditions being made in direct response to the protocol.

The Apparel protocol group continues to develop, and the effectiveness of the GLAA, in support of this industry, will be analysed in 2020-21.

The GLAA continues to examine ways in which it can enhance the prevention pressure in relation to nail bars and hand car washes.

- A structured and targeted approach to stakeholder engagement (locally, regionally and nationally) used to direct prevention activity, influence, and help shape the awareness campaigns of stakeholders to create a broader impact.

**Fully Achieved** - A GLAA stakeholder engagement strategy has been produced, mapping and analysing our stakeholders against organisational priorities and objectives. It underpins delivery of a stakeholder engagement plan aimed at ensuring GLAA works closely with key stakeholders, whilst wider stakeholders are engaged with on a regular basis.

- Demonstrate leadership across the sector protocols and pilots by bringing different industry leads together to continuously improve prevention and awareness raising activity with particular consideration of how it can be self-sustaining.

**Not achieved** - Organisational change and competing priorities for limited resources in 2019-20 meant that work did not commence on the development of a Protocol Leads group. The role of such a group will be considered further in 2020-21.

- Scoped out options for further protocols and industry-led initiatives in high risk sectors, identified through the GLAA's annual strategic assessments, where these can be self-sustaining, with a view to implementation during 2020-21. This will include identifying how the financial sector can be utilised to create levers to encourage and create pressure for compliance in areas such as insurance and investment.

**Partially Achieved** - Based on the intelligence assessments, and industry appetite, the GLAA worked closely with the hospitality industry to develop a protocol for closer cooperation and support.

- Improved understanding of how the changing nature of 21<sup>st</sup> century employment and recruitment methods may give rise to additional risks of exploitation and develop options for detecting and preventing abuse in such methods.

**Partially Achieved** - A pilot initiative was undertaken with Crimestoppers to examine increased risks of exploitation through online/social media recruitment. This demonstrated the ability to reach workers and raise their awareness of how to avoid exploitation.

- Identification of new international risks, including new risks arising from Brexit, and support to appropriate campaigns with relevant partners, including the Home Office Modern Slavery Unit to ensure international impacts are factored into prevention, and appropriate upstream activity is taken with other labour inspectorates to reduce the potential for migrants to be exploited before, and in the UK, concentrating on the government's priority countries that feature in GLAA risk assessments.

**Partially Achieved** - GLAA has continued to support UK contributions to the establishment of the EU Labour Authority and continued its partnership work with the IOM including through providing input into their capacity training for Azerbaijan labour inspectors and on improving international recruitment regulation.

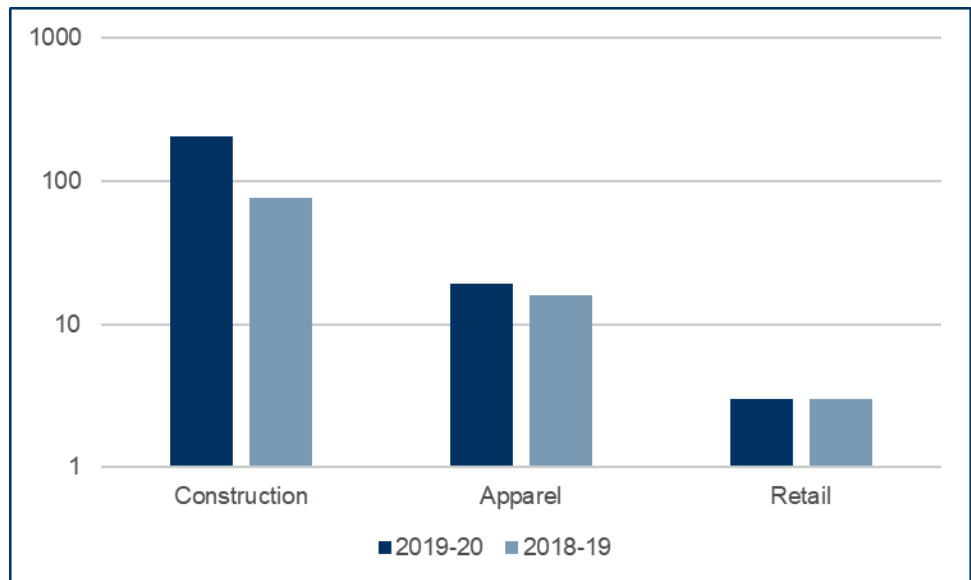
### **Aim: To enhance engagement with key stakeholders within sectors deemed at high risk of labour exploitation, based on the nature and scale of those risks as assessed by GLAA intelligence**

**Not achieved:** Performance this financial year in this area has been positive, with a greater number of businesses joining the construction protocol than targeted. However, the number of protocols has stayed the same due to potential resourcing implications. The growth in numbers of other protocol signatories and the amount of actionable intelligence has been less than hoped for.

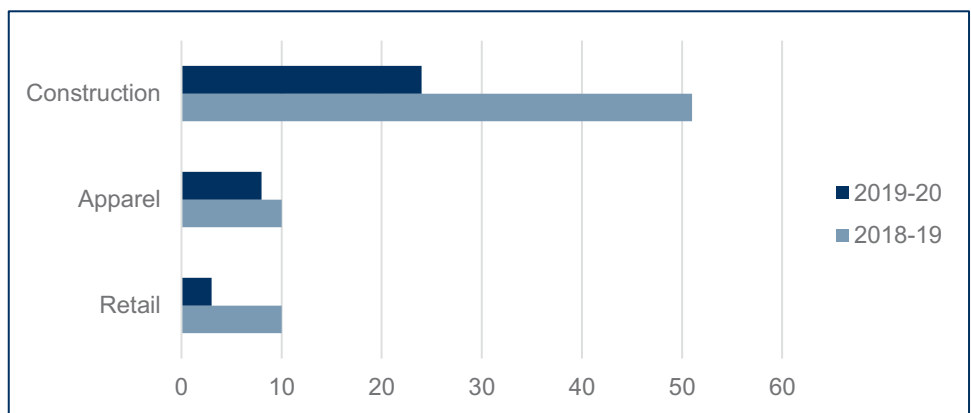
#### **Target: Number of protocols resulting from direct GLAA engagement - Increase the number of protocols from three (2018) to five**

Not achieved as the number of protocols remained at 3, but with good progress on a hospitality protocol.

**Target: To increase the number of businesses signed up to each of the protocols**



**Target: To increase the number of actionable intelligence submissions by 25%**



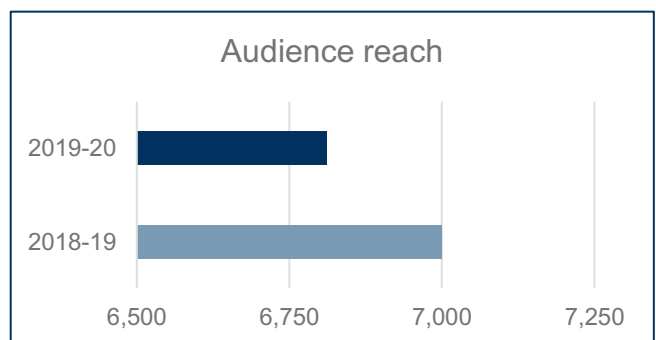
**Aim: To increase awareness of modern slavery and labour exploitation through external training, engagement with stakeholders and amplifying messaging using social and traditional media**

**Partially achieved:** The data this financial year suggests that the GLAA’s message and activity is broadcast well to the public via social media, with an ever-increasing number of followers and engagements with digital content.

<b>Target: To increase the reach of social media by 5%</b> Based on Average monthly impressions (no. of times content is displayed):	2019-20	399,087
	2018-19	287,000

**Target: To increase awareness of modern slavery and labour exploitation through external training and engagement with stakeholders**

171 training sessions/engagements were provided to partner agencies and industry resources in 2019-20 (89 in 2018-19 (data only collected from October 2018 onwards)).



## Objective four:

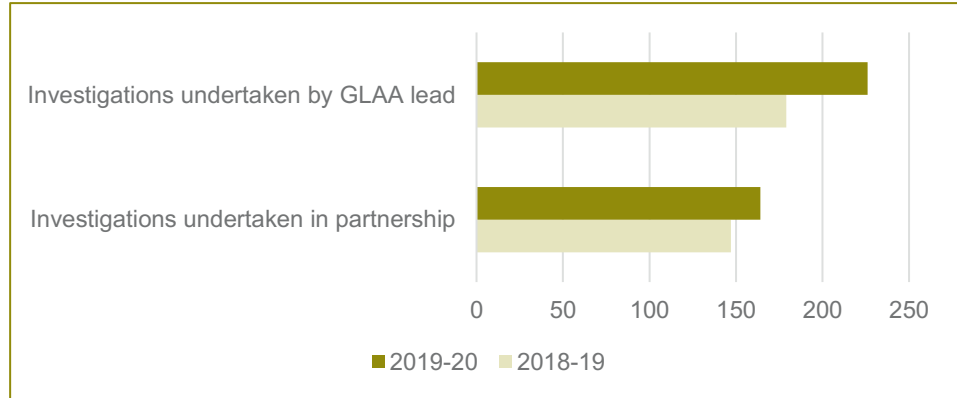
### Disrupt and deter criminal activity within the labour market

Key deliverables	
<ul style="list-style-type: none"><li>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.</li></ul>	<p><b>Not achieved</b> - The production of this document was delayed due to the loss of the Strategic Analyst post in September. The document has now been updated and published (May 2020).</p>
<ul style="list-style-type: none"><li>An annual demand analysis, reflecting the resource pressures from operations, used to review the sustainability of current triage and tasking models to inform the effective deployment of GLAA resources.</li></ul>	<p><b>Partially achieved</b> - Due to the loss of some key personnel during the year it has not been possible to publish a detailed demand analysis profile. However, in January 2020 the GLAA published a revised Control Strategy, updated the monthly tasking procedures and introduced a Daily Management Meeting which now determines the effective deployment of GLAA resources.</p>
<ul style="list-style-type: none"><li>Working with inspectorates and partners, an evaluation of the use of, and compliance with, Labour Market Enforcement Undertakings (LMEUs) and Orders (LMEOs), taking appropriate action to escalate or remove such sanctions and continuing to build credibility in their role within the enforcement community</li></ul>	<p><b>Fully Achieved</b> - We have had a significant reduction in the use of LMEU's this year, but through the Office of the Director of Labour Market Enforcement we contributed to a partnership review of the use of the orders and undertakings and we continue to drive best practice in this area.</p>
<ul style="list-style-type: none"><li>Evaluation of investigative outcomes to identify the quantum of criminal assets capable of recovery and assess the scope for greater self-funding through development of financial intelligence and investigation capabilities.</li></ul>	<p><b>Not achieved</b> - Resource constraints precluded the commencement of this work, which will be undertaken in 2020-21.</p>
<ul style="list-style-type: none"><li>Support for the evaluation of the range of powers and orders to prevent labour exploitation, such as the wider PACE and Proceeds of Crime Act powers, that a single enforcement body would require and the development of proposals for a consistent enforcement approach throughout the UK.</li></ul>	<p><b>Fully Achieved</b> - The GLAA was subject to its first HMICFRS inspection in 2018. The subsequent action plan was successfully delivered during 2019-20, enhancing the operational effectiveness and efficiency of the GLAA. Proposals on how the GLAA can operate and assist in Scotland progressed, and are awaiting formal response. No approach was made to Northern Ireland in the 2019-20 period due to the period without an Assembly. Further development will progress during 2020-21.</p>

**Aim: To work to increase the number of GLAA led enforcement investigations, whilst maintaining our work in partnership**

**Fully Achieved:** This target has been met, as the GLAA has increased the number of investigations led by the organisation, and this has not jeopardised the number of investigations undertaken in partnership. The GLAA has seen the number of multi-agency investigations increase, many of which have been led by the GLAA.

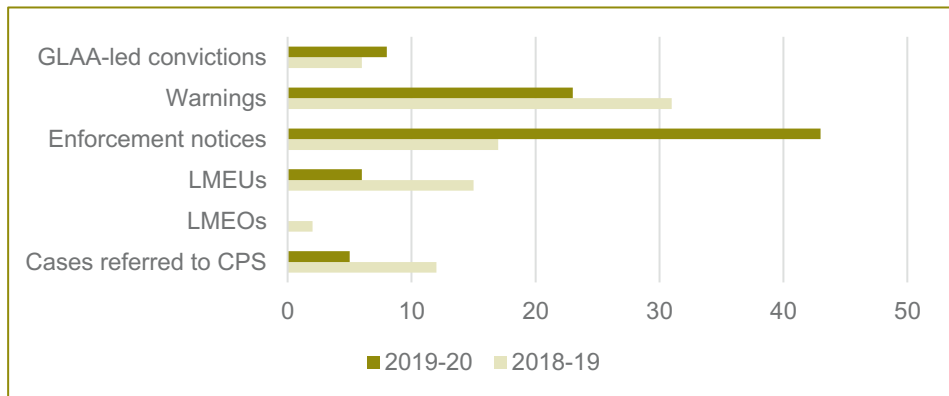
**Target: To maintain the base at 40% of cases**



**Aim: To address issues impacting the number of sanctionable outcomes resulting from enforcement investigations**

**Partially Achieved:** The results in this financial year show good disruption of criminal activity within GLAA-regulated sectors of the labour market only, with no GLAA-led convictions outside of these sectors. Whilst the GLAA continues to show good disruption through safeguarding victims and removing them from the control of exploiters, fewer cases have resulted in a positive charging decision by the CPS.

**Target: To increase by 10%**



**New Target in 2019-20: 80% of CPS cases referred which meet evidential threshold with 70% of those cases resulting in a positive charging decision**

There was one case referred in 2019-20 which met the evidential threshold (20%) and this did result in a positive charging decision (100%). In 2018-19 four out of the 12 cases submitted to CPS met the evidential threshold (33%) but none resulted in a positive charging decision.

**Aim: To make use of financial investigation powers in investigations**

**Not Achieved:** There were no GLAA-led investigations in 2019-20 (one 2018-19) which featured POCA (Proceeds of Crime) and therefore this target has not been met.

## Objective five:

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

In September 2019 GLAA's people seminar revised the values statement for the organisation replacing "PROUD" with five GLAA values that we look to GLAA colleagues to demonstrate: Integrity, Respect, Commitment, Professionalism and Teamwork.

Key deliverables	
<ul style="list-style-type: none"><li>A revised People Strategy and set of workforce plans for each business area outlining key learning and development requirements, recruitment and retention approaches and succession plans</li></ul>	<p><b>Partially achieved</b> - The new People Strategy has not been completed during the management restructure and due to absences. Individual teams have workforce plans and resourcing issues reviewed at regular intervals through the Vacancy Control Panel meetings.</p>
<ul style="list-style-type: none"><li>Consideration and implementation of as many proposals as possible from the people survey working group.</li></ul>	<p><b>Fully Achieved</b> - The GLAA has adopted a number of recommendations from the People Survey Working Group during 2019-20. This included enhancements to the Performance and Development Review (PADR) process and forms. Improved employee engagement and transparency of decisions.</p>
<ul style="list-style-type: none"><li>Development and commencement of a programme of culture and organisational change that is shaped by our people, aligns with the changing role of the authority and prepares us for future demands.</li></ul>	<p><b>Fully Achieved</b> - A programme of culture change was developed and launched, which included the whole organisation taking part in the refresh of its values and how these will be put into practice. Further organisational change was delivered through a senior management restructure which was launched in September 2019 and the new structure implemented from April 2020.</p>
<ul style="list-style-type: none"><li>Develop a refreshed training needs analysis and learning and development plan, drawing on a range of sources including the annual review process, team business plans, analysis of new starters and lessons learnt reviews within service areas.</li></ul>	<p><b>Partially Achieved</b> - Business plan owners, employees and respective managers have been consulted in relation to training needs. All requests which met the criteria set out within the Learning and Development Policy have been provided within budget. However, the training needs analysis and learning and development were not refreshed.</p>



- Deliver leadership and equality training and support to our managers in promoting equality as part of their roles and putting inclusive leadership at the heart of delivery.

**Partially Achieved** - Equality and Diversity management training has been provided to Senior Managers in addition to annual Equality and Diversity training for all our people. It is recognised that this is an area where we need to do more.

- Deliver a range of engagement activities, including the annual people seminar, making use of the new intranet and other digital tools and internal communications in order to impact positively on productivity, morale and culture.

**Fully Achieved** – A series of regional Let’s Talk events were held across the UK by the CEO with GLAA teams. A full people seminar took place in September 2019 and there is now a regular stream of digital information from the CEO and others, on the intranet. Positive feedback has been received regarding the effectiveness of the intranet, and methods used to improve communications and engagement while working remotely.

- Scoping for an apprenticeship and/or trainee programme, working with partners, that will enable future skills needs to be met from a wider range of people.

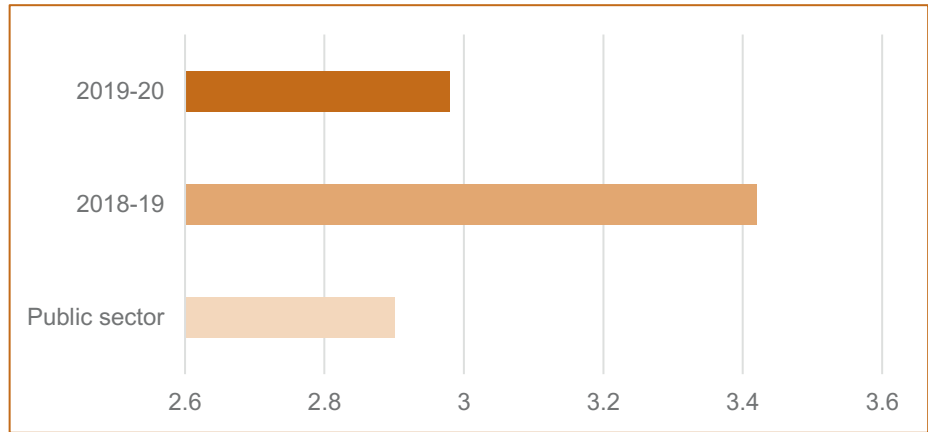
**Partially achieved** - Resource pressures have delayed commencement of this work. However, the GLAA has taken the opportunity to utilise an apprenticeship programme for Intelligence Officers, with two places being taken. Further work is required in relation to extending apprenticeships into other business areas and a trainee programme.

### **Aim: To improve retention levels, increase diversity and increase satisfaction of GLAA employees**

**Not Achieved:** Employee retention has been subject to scrutiny in the form of exit interviews, as well as greater emphasis placed with line managers on the importance of the PADR and personal development process. Sickness absence and decreased health & safety injury & near miss reports show positive improvements compared to last year. Diversity data is currently unavailable, with 48 per cent of employees choosing not to provide information in respect of their ethnicity or religion. No People Survey was carried out in 2019-20. Instead, through the September people seminar, colleagues were encouraged to express their concerns and these were followed up by the CEO and the Executive Management Team.

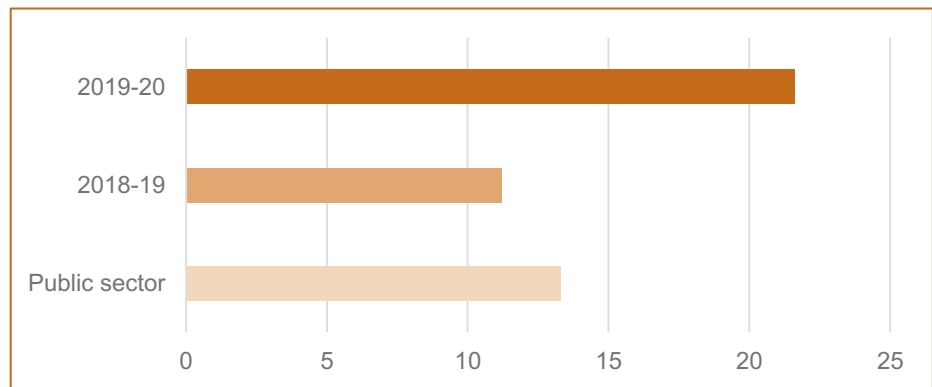
**Target: To maintain or improve on 2018 results of the average sickness rates and to move under the public sector average.**

Percentage of working days lost as a result of sickness absence. Public sector figure is to July 2018.

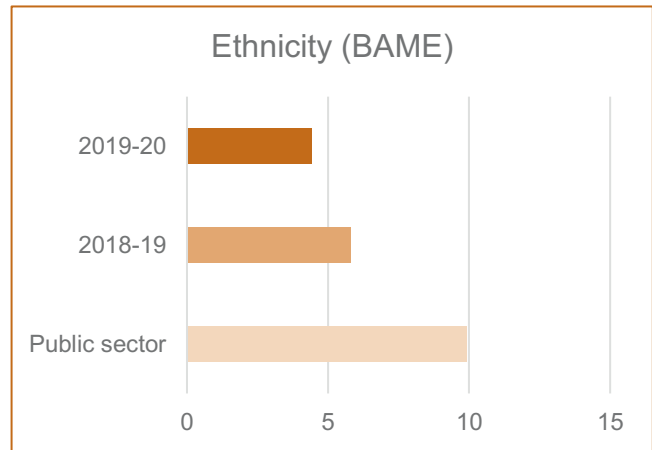
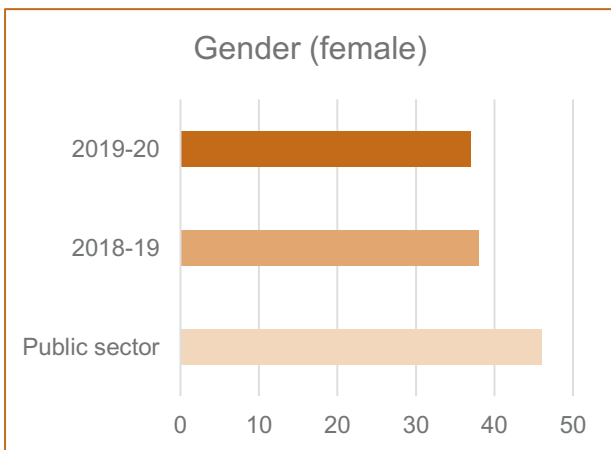


**Target: To improve on 2018 percentage results for average people turnover and to remain under the public sector average**

Public sector figure from Jan to Dec 2018 is 13.3%.



**Target: To improve on 2018 results and get closer to the public sector average based on gender and ethnicity.** The public sector figures are to July 2018



**New Target: 95% of personnel to have had a personal development discussion with their manager:**

**Fully achieved:** 100 per cent of eligible personnel completed a performance development review with their line manager. This wasn't measured in 2018-19.

## Objective six:

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

Key deliverables
<ul style="list-style-type: none"><li>Development and delivery of in-year efficiencies and savings for 2019-20 to ensure expenditure is in line with the level of available funding whilst minimising the impact on the delivery of strategic objectives.</li></ul> <p><b>Fully Achieved</b> - Restructuring costs resulted in a small overspend at the end of the financial year, but all in year pressures were managed as they emerged.</p>
<ul style="list-style-type: none"><li>Medium term financial plan with a sustainable level of recurring costs, using work to identify efficiencies to re-invest in the delivery of the authority's strategic priorities.</li></ul> <p><b>Fully Achieved</b> - GLAA reviewed its financial planning on funding projections for 2020-21. GLAA has planned a range of budget scenarios in preparation for the upcoming spending review (SR). The GLAA actively engaged in the planning cycle for the SR during 2019-20, putting forward plans to Home Office for a balanced budget for 2020-21. GLAA operates within its financial delegation to maximise the control and review of its budgetary plans, including scenario planning to address risks that impact public finances and the funding of the GLAA.</p>
<ul style="list-style-type: none"><li>Business case/s for future growth with a particular focus on spending review opportunities and timescales, ensuring that these are realistic by way of costs and clear in terms of benefits for vulnerable and exploited workers.</li></ul> <p><b>Fully Achieved</b> – GLAA submitted business cases as requested by the sponsor department to support the planned SR. This proposed an expansion of its investigative capacity to meet increased demand based on performance data, and the associated costs and capital investment of that performance. These cases will now form the basis of submissions to the expected SR (Autumn 2020).</p>
<ul style="list-style-type: none"><li>Identification of organisational policies requiring development or revision and implementation of a programme to address those gaps. This will include a clear pay policy developed through engagement with people across the organisation together with the Public and Commercial Services Union (PCS) as the recognised trade union.</li></ul> <p><b>Fully Achieved</b> – All GLAA policies now have review cycles based on risk prioritisation and are being reviewed. Appropriate consultation continues with PCS on all employment and reward policies.</p>
<ul style="list-style-type: none"><li>Finalisation of the development of the strategic risk register and team registers, ensuring these are reviewed regularly through the existing approved governance processes and that accepted internal audit recommendations are monitored and delivered.</li></ul> <p><b>Fully Achieved</b> – Strategic risks are reviewed and refreshed on an ongoing basis. Team risk registers are now in place and being actively updated including through</p>

cross-GLAA review forums. GLAA continues to improve its risk management approach. It has increased the speed of implementation of recommended actions from internal audits, including identifying areas where it may not be resourced sufficiently to mitigate risks, documenting all accepted risks.

- Review of internal governance and decision making and implementation of changes, taking account of recommendations made in previous internal audit reviews.

**Fully Achieved** - GLAA management restructure was completed, developing new leadership posts that now incorporate wider management responsibilities, reflecting audit recommendations to address identified risks.

- Examination of opportunities for income generation from external training activities, and retention of funds from asset recovery to enhance the resources available to expand the impact of prevent and pursue activities.

**Not Achieved** - The delivery of external training was focused on where GLAA felt its input would have greatest operational value (e.g. with enforcement partners). Opportunities for asset recovery were reliant on support from existing structures within wider policing.

**Aim: To deliver a balanced budget, deliver on savings targets and demonstrate robust governance**

**Not Achieved:** Overall, the GLAA’s target in respect to bringing an underspend to zero has almost been met, with just a small cash underspend of £45,000 remaining at the end of the financial year excluding redundancy and restructuring costs of £225,00, which Home Office agreed to fund in addition. Progress has been made on audit recommendations and work is ongoing to deliver an improved overall audit opinion and ensure the target is met in future.

**Target: To improve on baselines – current projected overspend is £300k – to monitor savings plan to bring underspend to zero**

**Underspend**

2019-20 **£45,000**      2018-19 **£60,000**

Fully Achieved - In 2019-20 the GLAA had a cash underspend of £45,000 excluding redundancy costs which the Home Office agreed to fund amounting to £229,000

**Target: Move overall audit opinion from limited in 2018-19 to moderate**

**Not Achieved:** Overall audit opinion in 2019-20 remained at limited.

**Target: Responses to audit recommendations within agreed timeframes – 80% of actions completed by due date**

**Partially Achieved:** GLAA had a total of 33 audit recommendations as recorded by GIAA during the year. Four of these were not yet due for completion leaving 29 due to be completed in 2019-20. Twenty-three of these had been closed (79%) and 6 (21%) were therefore overdue.

**Target: Internal audit opinion on risk management – to move audit risk opinion from limited in 2018-19 to moderate**

**Not Achieved:** The audit opinion on risk management process in 2019-20 was limited.



**Ziggy MacDonald**  
*Accounting Officer*  
7 January 2021

# Accountability Report

## Corporate Governance Report

### Directors' Report

#### Management Board

The composition of the Executive Management Team is identified under the governance statement on pages 36 to 40.

GLAA completed a management restructure during 2019-20, which changed the executive management structure. While this new structure came into effect in April 2020 (i.e. the previous Executive Management Team were in place with their existing responsibilities for the 2019-20 accounting period), a new Director of Resources took up post in March 2020. Declarations of interest for the Executive Management Team are recorded on page 52. These are disclosed for transparency and in case of conflict with their GLAA management responsibilities.

Also, on pages 41 and 42, under the remuneration report, there is a register of Board members 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.glaa.gov.uk](http://www.glaa.gov.uk).

#### Financial Position

The Statement of Comprehensive Net Expenditure for the year ended 31 March 2020 on page 58 shows a deficit of £6,636,000 (£6,260,000 2018-19).

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 2020 on page 61.

#### 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 47 to 50.

#### Payment Policy

The GLAA has a payment policy for all goods, services, works and contracts. Where there is no contractual provision or accepted practice governing the time of payment, the GLAA's aim is to pay within 10 days of receipt of goods or service, or within 10 days of a valid invoice, whichever is the later. We have also undertaken to comply with the BEIS directive to pay invoices within five days wherever possible. This is in accordance with the



Government's Best Payments Code, the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), the Parliamentary Control of Expenditure and the need to protect the Exchequer's interest. For 2019-20 the GLAA achieved an average payment time of five days (five days in 2018-19).

## Complaints Procedure

The GLAA has a policy<sup>5</sup> for dealing with complaints. All complaints are responded to in writing. If not satisfied, the complainant can then refer the matter to the PHSO, who investigates complaints about maladministration or service failure on the part of the GLAA.

Oversight of the use of enforcement powers granted to the GLAA from 2017 comes under the remit of the IOPC. Any issue in respect 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 Gangmasters and Labour Abuse Authority (Complaints and Misconduct) Regulations 2017.<sup>6</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 2019-20 the GLAA received six complaints. Two concerned press releases following licence revocations. One complaint was regarding the handling of a licensing application and another complaint followed late payment for interpretation services. Two of these complaints were not progressed. There were 12 complaints in 2018-19, one of which was not progressed.

No complaints received in 2019-20 were referred to the PHSO (none 2018-19).

## 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 includes 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 its External Communications Policy.<sup>7</sup>

In 2019-20 the GLAA received 53 requests under the FOI Act (38 requests in 2018-19). These mainly concerned investigations and operations in relation to licensing and labour exploitation, together with the strategic, business and staffing functions of the GLAA. Three FOIs were withdrawn. Forty-five responses were provided inside the stipulated 20 day period (90 per cent). Two responses were given within 30 days and three outside of 30 days. The three requests that exceeded 30 days required further clarification due to their complexity, together with consultation required for those in scope of the request.

All the published FOIs within this time period can be found on the GLAA website.

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<sup>5</sup> [www.gla.gov.uk/who-we-are/complaints/](http://www.gla.gov.uk/who-we-are/complaints/)

<sup>6</sup> <http://www.legislation.gov.uk/ukxi/2017/521/contents/made>

<sup>7</sup> [www.gla.gov.uk/publications/external-communications-policy-1/](http://www.gla.gov.uk/publications/external-communications-policy-1/)

## Parliamentary Questions

Eighteen Parliamentary Questions (PQs) which referenced the GLAA or required a GLAA response were recorded and published on our website. Of these, 12 related to GLAA strategy and operations involving modern slavery and labour exploitation. Three were in reference to the seasonal workers pilot scheme, with three relating to the business and staffing functions of the GLAA. All the published PQs within this time period can be found on the GLAA website.

## Diversity and Equality

The GLAA is committed to the development and promotion of equality of opportunity for all through a comprehensive system of staff development, selection and care. As part of the public sector equality duty the GLAA specifically considers equality impacts as part of its policies and decisions. This is an area which the Board would like to see more focus on and there is more work to do to demonstrate how we are assessing these impacts.

We are committed to eliminating discrimination and encouraging diversity amongst our workforce. Our aim is that our workforce will be truly representative of all sections of society and to create a working environment where each employee feels respected and able to give their best. Our policy is also applicable to all suppliers and contractors, whether permanent or temporary.

The GLAA welcomes applications to its posts from all sections of society and is committed to providing equal opportunities for all candidates during the selection process. Part of that commitment is that the GLAA offers a Guaranteed Interview Scheme where we will interview any candidate who has declared a disability, as defined by the Act, if they meet a certain level of the criteria for the post.

We will demonstrate commitment towards ensuring that no person receives less favourable treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity/paternity, race, religion or belief, sex or sexual orientation.

In order to achieve this, we have developed employment policies, practices and procedures to ensure that individuals are recruited, selected and treated based on their individual merits and suitability for posts. This also applies to all policies and procedures relating to our customers and clients.

We will treat all staff with dignity and respect and will strive, at all times, to provide a working environment free from discrimination, harassment or victimisation.

All our staff are clear on their individual responsibility to ensure that, in their dealings with everyone, they adhere to the standards, policies and values of the GLAA. Led by GLAA colleagues, these values were refreshed in 2019-20 to:

- Integrity
- Respect
- Commitment
- Professionalism
- Teamwork



**Ziggy MacDonald**  
*Accounting Officer*  
7 January 2021

# Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, 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.

I was appointed Accounting Officer of the GLAA from the 1 August 2020. From 3 January 2019 until his departure on 31 July 2020, Michael Rich was the Chief Executive and Accounting Officer for the GLAA (so covering the full period of this report).

In preparing the accounts, I, as Accounting Officer, am required to comply with the requirements of the Financial Reporting Manual (FReM) 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 FReM have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.
- 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 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, for 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 is unaware.

# Governance Statement

## Scope of Accounting Officer's Responsibilities

As the Chief Executive 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 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 Executive Management Team. The GLAA Board is presented with a full strategic risk register 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 2019-20 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 that the Home Office Permanent Secretary was aware of the main risks managed by the GLAA through direct reporting to him and regular reporting to its sponsor team.

In preparing the annual Governance Statement for 2019-20 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.

During the year the Board consisted of the Chair, Margaret Beels; Chief Executive, Michael Rich (appointed as board member from 19 July 2019 until 31 July 2020); and six non-executive Board members. Section 4 of The Gangmasters (Licensing Authority) Regulations 2015 provides for the appointment of up to eight members. Board meetings are also attended by the GLAA's Executive Management Team. In 2019-20 there were four Board meetings.

The Board has two committees that conduct business on its behalf. The 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 the Chief Executive. It also considers and approves policies that relate to the management of people within the organisation.

There are also two liaison groups (these are not sub-committees of the Board): A Labour User/Provider liaison group, which is chaired by the GLAA's Chair, and a Worker/NGO liaison group which is chaired by a Board member. The former advises stakeholders within the regulated sectors. It seeks to enhance co-operation between the GLAA and its stakeholders, identifying joint areas of interest and the adoption of new policies and strategies. 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. Reports are submitted to Board meetings.

The GLAA executive 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 2019-20 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 & Risk Committee	Remuneration Committee
Margaret Beels OBE (Chair)	4/4	N/A	N/A
Michael Rich (Chief Executive) - Board Member from 19.07.19	3/3	4/4	N/A
Simon Allbutt	2/4	N/A	3/3
William Butler	4/4	4/4	N/A
Angela Coleshill	3/4	N/A	3/3
Prof Linda Dickens MBE	3/4	N/A	3/3
Suzanne McCarthy	3/4	4/4	N/A
Dr Paul Williams	4/4	4/4	N/A

During the year the 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 is set out later in this statement.

The Board reviews the quality of data provided to it on an ongoing basis. As part of this process an internal audit review was completed as detailed below. Action had been taken as a result and remains ongoing to improve and develop performance to support Board oversight and scrutiny of the organisation.



The GLAA Board, subject to the approval of the Secretary of State, appoint a Chief Executive who, with senior managers, ensures the operational objectives of the GLAA are delivered. The GLAA records its performance against agreed objectives on a monthly basis and reports on performance quarterly at Board Meetings.

## Internal Audit

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

Five audits were planned during the year with the following assurance ratings. The overall opinion of GIAA was 'limited assurance', 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
Performance Management	Limited
Operational Front-Line Delivery	Limited
Government Commercial Operating Standards	Limited
Corporate Governance	Moderate
Transition IT oversight	Moved to Q1 2020-21
Regrading Policy and Procedures	Limited

A further review conducted by the GIAA reported to ARC during 2019-20. This was commissioned by the GLAA following concerns referred via the NAO and in response to internal protected disclosure relating to processes and behaviours within the organisation spanning several years. The complaints made were not upheld, but in response to the review, ARC commissioned the Accounting Officer to prepare an action plan that has been approved and is being implemented.

## Risk Management

A new Risk Management policy and procedure aligned to the Home Office Risk Management Strategy was agreed by the GLAA Board in January 2019. This details responsibilities and ensures there is a clear route to deal with risk and that relevant groups within the GLAA are aware of the risks and management of risks. It also helps define the GLAA approach to risk ranging from being **open**, **cautious**, **averse** or **minimalist** in accepting risk.

The GLAA evaluates risk on a regular basis. A general risk management statement has been agreed with the GLAA Board to summarise the GLAA's approach to risk. During 2019-20 this was complemented by greater definition of appetite applied to specific categories of most relevance to the organisation.

**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, safety and wellbeing when it comes to the GLAA's people and those it protects. 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.

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

During the year the primary risks and issues have been:

- The continuing high levels of demand for the GLAA's response to labour exploitation across the labour market, bringing risks that potential victims are not protected as swiftly or effectively as they should be.
- The announcement by the Government of their intention to form a SEB and the significant potential implications and changes for the GLAA associated with this.
- The impacts of a restructure of the senior management team, including disruption, loss of morale and uncertainty.
- An increase in turnover within the organisation arising from a range of factors and leading to increased recruitment costs and teams operating below capacity.
- The delays in replacing the legacy IT system that underpins the statutory regulatory role of the GLAA. A project for a replacement commenced during the period and a supplier has been appointed. However, the current system remains in place until the project is fully delivered, posing risks to a core GLAA business area.
- The inherent risk of appeals against licensing decisions. Whilst GLAA successfully defended nine decisions during 2019-20, appeals continue to absorb significant resource and finance, and carry the risk that substantial awards could be made to appellants.
- Within the last month of the reporting period, the issues faced by the organisation in responding to the Covid-19 crisis and the risks to the health of its people, the workers it protects and the delivery of strategic objectives within its business plan.

Mitigation of the above risks and issues has taken place through the risk management process set out earlier in this section, with ARC and the Board maintaining close focus on the effectiveness of those mitigations.

The main risks and issues resulting from Covid-19 include restrictions impacting operational activity and response of the GLAA and that of its enforcement partners. Those at risk of labour exploitation being placed at higher risk to the pandemic as was seen in the Leicester textile industry. Reduced visibility of vulnerable exploited workers resulting in reduced intelligence reporting. Financial pressures on individuals and workers as a result of the pandemic places individuals at higher risk of accepting exploitation. The 'Gig Economy' has continued to grow and these employment models eliminate employer's duty of care for workers. The GLAA has also seen increased numbers of workers engaged in higher risk activities like shellfish gathering, as workers are displaced from other jobs.

## 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 has been informed by assurance provided by the former Chief Executive and Accounting Officer (Michael Rich). It is also informed by the work of the internal auditors and other external review agencies and the senior managers 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.

ARC, on behalf of the GLAA's Board, has been diligent in reviewing the effectiveness of the system of internal control. Issues that have been identified are in the process of being addressed in line with agreed action plans. I am confident that arrangements being put in place will improve the areas of weakness identified through the work of Audit and the Board. With the guidance of internal audit and ARC, the Executive has a good understanding of the risks and issues the Authority faces and is working to mitigate these.

During the year we also received positive assurance from an inspection from the IPCO. This related to how the GLAA dealt with communications data under the new control procedures arising from the Investigatory Powers Act 2016. The inspection also covered how the GLAA complied with its other powers in the Regulation of Investigatory Powers Act 2000 to support its investigation and the previous statute under the Investigatory Powers Act 2016. This recorded that the GLAA had a high level of compliance with this legislation. Information and intelligence are critical to the organisation and, as identified above, the GLAA is very cautious with how it deals with data in general.

## Financial Management

The GLAA received formal confirmation of its budget for 2019-20 during the second quarter of that year and has been given an indicative budget allocation for 2020-21 in line with its original budget for 2019-20. This excludes an in year increase to meet increased ongoing employer pension contributions c£200,000.

Significant contributions were made to the 2019 spending review process and following the postponement of that review, GLAA has continued to set out proposals for the consideration of the Home Office for improving the alignment of financial resources to activities required to deliver its statutory objectives. This has included preparing for becoming part of a SEB and how the GLAA can contribute to this government priority. Making savings remains challenging in the context of the operational demands noted above and the GLAA continues to prioritise its resources in response to these risks.

## Information Security

In 2019-20 the GLAA's Data Protection Officer reported no breaches to the ICO (none 2018-19).



**Ziggy MacDonald**  
*Accounting Officer*  
7 January 2021

# Remuneration and Staff Report

## Executive Management Team

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

Michael Rich	Chief Executive
Daniel Scully	Director of Resources (from 16 March 2020)
Darryl Dixon	Director of Strategy
Nicola Ray	Director of People and Licensing
Ian Waterfield	Director of Operations

## Contract Information

### Policy on the Remuneration of 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 pages 45 and 46.

### Board Members Remuneration (Subject to Audit)

The Chair of the GLAA is employed on a contract basis. During the financial year, the Chair, Margaret Beels, received total remuneration of £20,955 (£31,185 2018-19). These costs are included in the staff costs total of £5,265,000 (£5,134,000 2018-19) on page 68. Payments of £1,099 (£1,352 2018-19) have also been made to the Chair in regard to travel and subsistence. The increased remuneration in 2019-20 for William Butler reflects his role as Chair of ARC and specifically work on the GIAA investigation identified above.

Declarations of Directorships and significant interest for the Chair and Chief Executive are on page 52.

	Directorships and significant interests	Remuneration 2019-20 £000s	Remuneration 2018-19 £000s
Simon Allbutt	<ul style="list-style-type: none"><li>Director, Allbutt HR Consulting</li><li>Trustee, Erskine Hospital</li></ul>	0-5	0-5
William Butler	<ul style="list-style-type: none"><li>Non-Executive Director, The Law Society</li><li>Non-Executive Director, GPDF Ltd</li><li>Member, Disciplinary and Investigations Panel, CIPFA</li></ul>	10-15	5-10

Angela Coleshill	<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<sup>st</sup> Jan 2020 to 31 March 2020)</li> </ul>	5-10	0-5
Prof Linda Dickens MBE	<ul style="list-style-type: none"> <li>▪ Chair, Inclusive Fire and Rescue Service Group (appointed by NJCC Fire and Rescue Service)</li> <li>▪ Arbitrator and Mediator, Acas</li> </ul>	5-10	0-5
Marshall Evans (till 14 Jan 19)	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	-	0-5
Dr Paul Williams	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	5-10	5-10
Suzanne McCarthy	<ul style="list-style-type: none"> <li>▪ Chair - Fire Standards Board, Chief Fire Officers Association</li> <li>▪ Deputy Chair - Valuation Tribunal Service; 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, Mayor's Office for Policing and Crime and the Metropolitan Police Service</li> <li>▪ Board Member and Chair - Standards Committee, Fundraising Regulator</li> <li>▪ Chair, Depaul UK</li> <li>▪ Independent Senior Director and Chair - Risk and Audit Committee, Advertising Standards Authority</li> <li>▪ Independent Member - Audit Committee, Office for Students</li> <li>▪ Independent Member - Audit Committee and Professional Board, Chartered Institute of Legal Executives</li> <li>▪ Independent Appointed Person, Greater London Authority</li> <li>▪ Commissioner - Marshall Aid Commemoration Commission, Foreign and Commonwealth Office</li> <li>▪ Member - Disciplinary and Regulatory, Association of Chartered Certified Accountants</li> <li>▪ Director, Medics Academy (Vopulus Ltd)</li> </ul>	5-10	0-5



Normal business-related travel and subsistence was reimbursed to Board members in line with the GLAA's policy. This amounted to £4,120 in 2019-20 (£2,505 2018-19).

### Tax Arrangements for Public Sector Appointees

There were no off-payroll engagements as of 31 March 2020 (none 2018-19) 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 2018-19). None of the engagements involved Board members or any of the Executive Management Team.

The total spend on contractors was £54,000 (£19,000 2018-19).

### Policy on the Duration of Contracts and Notice Periods

Michael Rich the Chief Executive during the accounting period was on a Fixed Term Contract (until January 2022) with a three-month notice period and with the possibility of extension. 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.

The interim Chief Executive was appointed on 1 August 2020 on a nine-month contract and is now subject to a three-month notice period in line with other senior managers. The contract allows for a possible extension. The process to recruit a permanent Chief Executive is already being progressed.

### Policy on Performance Related Pay (PRP)

All GLAA staff members, subject to an eligibility criterion, may qualify for PRP in addition to basic salaries. Each year the 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.

A review on how PRP is paid took place this year with contributions to this work made by the People Survey Working Group and the recognised trade union, PCS. Following this, and formal negotiation with PCS, it was decided that everyone in post at 31 March 2020 and performing at a satisfactory level would receive an equal split of the overall pot (adjusted for those working part-time and who have joined during the 2019-20 year). This excluded the Chief Executive and Director of Resources who, as Senior Civil Servant equivalents, have their own PRP arrangements, as part of their contracts.

A longer-term decision on how the scheme works in future will follow, informed by further work by the People Survey Working Group to consider alternatives, including learning from other organisations that have used PRP in different ways. This will also be informed by an internal audit review planned in early 2020-21.

The Chief Executive's and Director of Resources' PRP is determined by their contracts based on existing arrangements for senior civil servants and is dependent upon meeting agreed personal objectives. It is assessed by the Chair and Remuneration Committee and submitted to the Home Office Minister for approval.

## Employment of Disabled Persons' Policy

The GLAA works to ensure that disability is not regarded as a barrier to recruitment or promotion. It is committed to ensuring that 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, in line with the Guaranteed Interview Scheme and additional assistance or adjustments can be accommodated ahead of the interview. The GLAA will ensure that 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 persons during the period. We promote the training, career development and promotion of disabled persons employed by the GLAA.

## Other Employee Matters

The Equal Opportunities and Diversity Policy Statement details 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 a role. All employees are required to read and confirm their understanding of this policy on an annual basis.

Training, development and progression opportunities are available to all staff. The GLAA's performance management and learning and development policies will ensure that all staff are provided with equal opportunities for personal and career development.

We communicate directly with all employees regarding employment issues that relate to them. We also engage with PCS with formal consultation where appropriate and actively encourage individual and group employee participation on relevant employment matters.

An internal Health and Safety committee meets 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.

## Salary Information (Subject to Audit)

### Single Total figure of Remuneration

The single total for remuneration includes salary, benefit -in-kind and non-consolidated PRP. There were no severance payments or Benefit in Kind payments to Directors in 2019-20 (none 2018-19). 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 2019-20 figures would relate to 2018-19 PRP awards as these are paid in the following year.

The Chief Executive, Michael Rich, resigned from the GLAA with affect from 31 July 2020.

The Chief Executive and the newly appointed Director of Resources are the only GLAA Senior Civil Servant equivalent posts.

Following a management restructure two new Director posts were created who, with the Chief Executive, were to become the senior managers of the organisation. Only one Director post was filled in this period. The new management structure became effective in April 2020. The senior manager roles below remained unchanged in the reporting period and formed the senior management structure for the reporting period.

GLAA Remuneration Committee considered that Michael Rich's performance in 2019-20 merited a PRP payment. Michael Rich declined the award on principle.

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

### 2019-20

Senior Manager	Job Title	Salary £000s	Performance Payments £000s	Severance Payments £000s	Pensions Benefits £000s	Benefit in Kind £000s	Total £000s
Michael Rich	Chief Executive	105-110	-	-	43	-	150-155
Daniel Scully From 16 March 2020	Director of Resources	0-5 FTE 70-75	-	-	3	-	5-10
Darryl Dixon	Director of Strategy	65-70	0-5	-	14	-	80-85
Nicola Ray (FTE 0.59)	Director of People and Licensing	40-45 FTE 65-70	0-5	-	20	-	60-65
Ian Waterfield	Director of Operations	60-65	0-5	-	-	-	60-65

## 2018-19 - Single Total Figure of Remuneration

Senior Manager	Job Title	Salary £000s	Performance Payments £000s	Severance Payments £000s	Pensions Benefits £000s	Benefit in Kind £000s	Total £000s
Roger Bannister (FTE 0.8) Apr-Oct 2018	Interim Chief Executive	45-50  FTE/FYE 105-110	-	-	-	-	45-50
Michael Rich From Jan 2019	Chief Executive	25-30  FYE 105-110	-	-	10	-	35-40
Darryl Dixon	Director of Strategy	65-70	-	-	7	-	70-75
Nicola Ray (FTE 0.59)	Director of People and Licensing	35-40  FTE 65- 70	-	-	16	-	55-60
Ian Waterfield	Director of Operations	60-65	0-5	-	-	-	65-70

### 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 2019-20 was £105,000-£110,000 (2018-19, £105,000 - £110,000). This was 3.51 times (2018-19, 3.43) the median remuneration of the workforce, which was £30,639 (£31,372 2018-19).

In 2019-20 no employees received remuneration in excess of the highest-paid director (none, 2018-19). Remuneration ranged from £20,000-£25,000 to £105,000-£110,000 (£20,000-£25,000 to £105,000-£110,000 2018-19).

### Staff Composition (Head Count) 31 March

	2019-20		2018-19	
	Female	Male	Female	Male
Other Employees	42	73	45	73
Senior Leaders	2	4	2	3
Board	2	3	2	3
<b>Total</b>	<b>46</b>	<b>80</b>	<b>49</b>	<b>79</b>

## Pension Information

### 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 will switch into alpha sometime between 1 June 2015 and 1 February 2022. 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 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% 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% 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%. 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 a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in

addition to the employer's basic contribution). Employers also contribute a further 0.5% 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 <https://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.



## Pensions Benefit

### CETV Information (Subject to Audit)

#### 2019-20

Senior Manager	Real Increase in pension £000s	Real increase in lump sum at pension age £000s	Value of accrued pension as at 31/03/20 £000s	Related lump sum at pension age £000s	CETV at 1 April 2019 £000s	CETV at 31 March 2020 £000s	Real increase in CETV £000s
Michael Rich	2.5-5	2.5-5	0-5	2.5-5	7	35	20
Daniel Scully	0-2.5	0-2.5	15-20	0-2.5	223	225	2
Darryl Dixon	0.2.5	0-2.5	30-35	90-95	664	711	14
Nicola Ray	0-2.5	0-2.5	25-30	30-35	457	491	13

#### 2018-19

Senior Manager	Real Increase in pension £000s	Real increase in lump sum at pension age £000s	Value of accrued pension as at 31/03/19 £000s	Related lump sum at pension age £000s	CETV at 1 April 2018 £000s	CETV at 31 March 2019 £000s	Real increase in CETV £000s
Michael Rich	0-2.5	0-2.5	0-5	0-2.5	0	7	5
Darryl Dixon	0-2.5	0-2.5	25-30	85-90	597	664	7
Nicola Ray	0-2.5	0-2.5	25-30	30-35	395	457	11

The Director of Operations opted out of the pension scheme. None of our senior managers are members of the partnership pension scheme. The pension benefit in 2018-19 for Nicola Ray has been recalculated following a back-dated pay award being paid.

## Staff Costs (subject to audit)

	2019-20		2018-19	
	Permanently employed staff £000s	Other / Temporary £000s	Permanently employed staff £000s	Other / Temporary £000s
Staff salaries including PRP	3,931	2	3,956	12
Employee benefits as per IAS 19	(8)	-	15	-
Social security costs	424	-	424	1
Pension service costs	916	-	726	-
<b>Total</b>	<b>5,263</b>	<b>2</b>	<b>5,121</b>	<b>13</b>

Five employees were employed on a fixed term contract during 2019-20 (18 employees 2018-19).

A total of £83,000 was accrued for PRP (£60,000 2018-19).

## Pension Costs

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but the GLAA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: <https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>.

For 2019-20, employers’ contributions of £805,000 were payable to PCSPS and CSOPS (£597,000 2018-19) at one of four rates in the range 26.6% to 30.3% 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 2019-20 to be paid when the member retires and not the benefits paid during this 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 £119,000 (£129,000 2018-19) 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% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, employer contributions of £4,000 (£4,000 2018-19), 0.5% of pensionable pay, were payable to the PCSPS in 2019-20 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 2020 were £0 (£0 2018-19). Contributions prepaid at that date were nil (nil 2018-19).

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

	2019-20			2018-19		
	Total	Permanent staff	Others	Total	Permanent Staff	Others
Total directly employed	115	115	0	122	107	15

## Reporting of Civil Service and Other Compensation Schemes Exit Packages 2019-20 (subject to audit)

There were four exit packages agreed during 2019-20 (none 2018-19). 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	2019-20			2018-19		
	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	-	-	-	-	-	-
£25,000 - £50,000	-	2	2	-	-	-
£50,000 - £100,000	-	1	1	-	-	-
£100,000 - £150,000	-	1	1	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
<b>Total</b>						
Number of exit packages	-	4	4	-	-	-
<b>Total resource cost (£000)</b>	-	<b>229</b>	<b>229</b>	-	-	-

## Sickness Absence

For the reporting year to 31 March 2020 the average number of days lost to staff sickness was 7.37 (8.42 2018-19).

## 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 2019 to 31 March 2020.

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

Employees who are Union officials during period	FTE	Facility Time %	Cost of Facility time % of pay bill	Total cost of facility time £000	Total pay bill £000	Paid Trade Union Activities %
6	6	1-50	0.21	11	5,265	100

## Declarations of Interest

Senior Leaders	Declarations of Interest
Margaret Beels OBE, Chair	<ul style="list-style-type: none"> <li>▪ Non-Executive Director, Market Operator Services Ltd</li> <li>▪ Directorship: Wispway Properties Ltd</li> <li>▪ Trusteeships: Friends of the Connection; The London Chorus</li> </ul>
Daniel Scully, Director of Resources	<ul style="list-style-type: none"> <li>▪ None</li> </ul>
Michael Rich, Chief Executive	<ul style="list-style-type: none"> <li>▪ None</li> </ul>
Darryl Dixon, Director of Strategy	<ul style="list-style-type: none"> <li>▪ None</li> </ul>
Nicola Ray, Director of People and Licensing	<ul style="list-style-type: none"> <li>▪ None</li> </ul>
Ian Waterfield, Director of Operations	<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 2019 to 31 March 2020 the GLAA incurred no losses (£0 2018-19). GLAA did make a special payment of £84,000 following approval from HMT, (£30,000 2018-19).

## Fees and Charges

Fee levels are set by the Secretary of State and have remained unchanged since 2009.

The organisation is required to operate on a full cost recovery basis, which is currently not being achieved. It is planned that a recommendation regarding licence fees changes will be taken forward with the Home Office.

	Income £000s	Full Costs £000s	Surplus/(Deficit) £000s	Fee Recovery Actual %
Licensing 2019-20	1,006	2,183	(1,177)	46
Licensing 2018-19	899	2,020	(1,121)	45

For the purposes of cost recovery, expenditure has been analysed by function, as well as category, shown in note 2 on page 67 and 68. 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 69 and 70.

## Remote Contingent Liabilities

In addition to contingent liabilities reported in accordance with International Accounting Standards (IAS) 37, the GLAA also considers cases for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. There are ongoing cases where, at this stage, the possibility of a liability is too remote to record as a contingent liability or provision.



**Ziggy MacDonald**  
*Accounting Officer*  
7 January 2021

# The Certificate and Report of the Comptroller and Auditor General to the House of Commons

## 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 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Gangmasters and Labour Abuse Authority's affairs as at 31 March 2020 and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) 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 2016. I am independent of the Gangmasters and Labour Abuse Authority in accordance with the ethical requirements that are relevant to my audit and 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Gangmasters and Labour Abuse Authority's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Gangmasters and Labour Abuse Authority have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Gangmasters and Labour Abuse Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

## 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 Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gangmasters and Labour Abuse Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Gangmasters and Labour Abuse Authority use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gangmasters and Labour Abuse Authority ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Gangmasters and Labour Abuse Authority to cease to continue as a going concern.

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.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

## Other Information

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the annual report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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, 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 parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report and Accountability Report; and

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.

### **Matters on which I report by exception**

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

- adequate accounting records have not been kept 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 to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
8 January 2021

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 2020

	Note	2019-20 £000s	2018-19 £000s
<b>Expenditure</b>			
Staff costs	3	(5,265)	(5,134)
Operating expenditure	3	(2,483)	(2,141)
<b>Total expenditure</b>		<b>(7,748)</b>	<b>(7,275)</b>
<b>Income</b>			
Enforcement	4	106	116
Licence fees	5	760	715
Application inspections	5	246	184
<b>Total income</b>		<b>1,112</b>	<b>1,015</b>
<b>Net expenditure for the year</b>		<b>(6,636)</b>	<b>(6,260)</b>

## Other Comprehensive Expenditure

	Note	2019-20 £000s	2018-19 £000s
<b>Items that will not be reclassified to net operating cost:</b>			
Net loss on revaluation of intangible assets	7	1	(1)
<b>Comprehensive net expenditure for the year</b>		<b>(6,635)</b>	<b>(6,261)</b>

The notes on pages 62 to 76 form an integral part of the accounts.

## Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000s	31 March 2019 £000s
<b>Non-current assets</b>			
Property, plant and equipment	6	1,144	1,442
Intangible assets	7	261	157
<b>Total non-current assets</b>		<b>1,405</b>	<b>1,599</b>
<b>Current assets</b>			
Trade and other receivables	8	168	75
Cash and cash equivalents	9	960	917
<b>Total current assets</b>		<b>1,128</b>	<b>992</b>
<b>Total assets</b>		<b>2,533</b>	<b>2,591</b>
<b>Current liabilities</b>			
Trade and other payables	10	(2,810)	(2,157)
Provisions	11	(17)	(17)
<b>Total current liabilities</b>		<b>(2,827)</b>	<b>(2,174)</b>
<b>Total assets less current liabilities</b>		<b>(294)</b>	<b>417</b>
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>(2,827)</b>	<b>(2,174)</b>
<b>Assets less liabilities</b>		<b>(294)</b>	<b>417</b>
<b>Reserves</b>			
General reserve		(297)	415
Revaluation reserve		3	2
<b>Total reserves</b>		<b>(294)</b>	<b>417</b>



**Ziggy MacDonald**  
Accounting Officer  
7 January 2021

The notes on pages 62 to 76 form an integral part of the accounts.

## Statement of Cash Flows for the year ended 31 March 2020

	Note	2019-20 £000s	2018-19 £000s
<b>Cash flows from operating activities:</b>			
Net operating cost		(6,636)	(6,260)
Adjustments for non-cash transactions:			
Depreciation	6	328	157
Amortisation	7	78	16
(Increase)/Decrease in trade and other receivables	8	(93)	12
Increase/(Decrease) in trade and other payables	10	654	304
Provisions Movement	11	-	-
Payments to the consolidated fund which are outside the scope of the GLA's activities		-	-
<b>Net cash outflow from operating activities</b>		<b>(5,669)</b>	<b>(5,771)</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	6	(30)	(631)
Purchase of intangible assets	7	(181)	(144)
<b>Net cash outflow from investing activities</b>		<b>(211)</b>	<b>(775)</b>
<b>Cash flows from financing activities:</b>			
Revenue – Grant-in-Aid		5,721	5,292
Capital – Grant-in-Aid		202	500
<b>Total financing</b>		<b>5,923</b>	<b>5,792</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>43</b>	<b>(754)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>917</b>	<b>1,671</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>960</b>	<b>917</b>

The notes on pages 62 to 76 form an integral part of the accounts.



## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

	General Reserve £000s	Revaluation Reserve £000s	Total Reserves £000s
<b>Balance at 1 April 2018</b>	<b>883</b>	<b>4</b>	<b>887</b>
Net operating cost	(6,260)	-	(6,260)
Net loss on revaluation of intangible assets	-	(2)	(2)
Grant-in-Aid	5,792	-	5,792
Payment to consolidated fund	-	-	-
<b>Balance at 31 March 2019</b>	<b>415</b>	<b>2</b>	<b>417</b>
<b>Balance at 1 April 2019</b>	<b>415</b>	<b>2</b>	<b>417</b>
Net operating cost	(6,636)	-	(6,636)
Net loss on revaluation of intangible assets	-	1	1
Grant-in-Aid	5,923	-	5,923
Payment to consolidated fund	-	-	-
<b>Balance at 31 March 2020</b>	<b>(298)</b>	<b>3</b>	<b>(294)</b>

The notes on pages 62 to 76 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 2019-20 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 particular circumstances of the GLAA for the purpose of giving a true and fair view has been selected. The particular 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 9 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 2020 and its financial position for the year ended on that date.

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

Any events that would impact on these accounts after the 31 March 2020 are stated in note 16 on page 76.

### Going Concern

The GLAA has received confirmation of its proposed funding levels for 2020-21, 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.

During 2019-20, the Government consulted on the possibility of creating a SEB to enforce employment standards, the formal response to this has not yet been published but this is not expected to impact the GLAA's status as a going concern.

It is expected that if a single agency was created that this would incorporate all the current functions of the GLAA, and the basis of the consultation was to enhance rather than reduce protection of vulnerable workers and create a more level playing field for business.

The earliest date expected by management for the creation of the SEB is 2022, given legislation and other changes required in preparation to set this up.

### 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 Recognition

Income is recognised when all the conditions laid down in IFRS 15 Revenue from Contracts with Customers 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).

### 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.

### Property, Plant and Equipment

Plant and equipment is held at depreciated historic cost which is a proxy for fair value. 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.

During the reporting period the GLAA was a NDPB of the Home Office but its licensing system is part of Defra IT infrastructure, this system was provided as a service to the GLAA.

## 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.

## 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. The GLAA currently only has one finance lease relating to IT.

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 41 to 52 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 rates 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.

## International Financial Reporting Standards (IFRS) and other changes that have been issued not yet effective

**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 18 March 2019, HM Treasury agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS 16 in central government until 1 April 2021. This represents a one-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.

The total value of operating leases is disclosed in note 13 on pages 75 and 76. These do not assume that break lease clauses will be triggered, so there would be no increase in value of these leases under the new standard.

**IFRS 4 Insurance Contracts adapted for IFRS 9** The IASB has adapted IFRS 4 Insurance Contracts as an interim measure between the introduction of IFRS 9 (2018-19) and the new insurance contracts accounting standard IFRS 17 (2021-22 expected). The Financial Reporting Advisory Board agreed to endorse the IFRS 4 amendments without adaptation or interpretation. It is not expected to have any material impact on the financial statements.

## 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.

Costs and fees will be reviewed with recommendations about how to bring fees and charges in line with guidance.

Function	2019-20			2018-19		
	Licensing £000s	Enforcement £000s	Total £000s	Licensing £000s	Enforcement £000s	Total £000s
<b>Expenditure</b>						
Staff costs	(1,469)	(3,796)	(5,265)	(1,391)	(3,743)	(5,134)
Operating Expenditure	(714)	(1,769)	(2,483)	(629)	(1,512)	(2,141)
<b>Total</b>	<b>(2,183)</b>	<b>(5,565)</b>	<b>(7,748)</b>	<b>(2,020)</b>	<b>(5,255)</b>	<b>(7,275)</b>
<b>Income</b>						
Licensing	1,006	-	1,006	899	-	899
Other	-	106	106	-	116	116
<b>Total</b>	<b>1,006</b>	<b>106</b>	<b>1,112</b>	<b>899</b>	<b>116</b>	<b>1,015</b>
<b>Net income (expenditure)</b>	<b>(1,177)</b>	<b>(5,459)</b>	<b>(6,636)</b>	<b>(1,121)</b>	<b>(5,139)</b>	<b>(6,260)</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

	2019-20		2018-19	
	Permanently employed staff £000s	Other / Temporary £000s	Permanently employed staff £000s	Other / Temporary £000s
Staff salaries including PRP	3,931	2	3,956	12
Employee benefits as per IAS 19	(8)	-	15	-
Social security costs	424	-	424	1
Pension service costs	916	-	726	-
<b>Total</b>	<b>5,263</b>	<b>2</b>	<b>5,121</b>	<b>13</b>

## Operating Expenditure

	2019-20 Total £000s	2018-19 Total £000s
Travel and Subsistence	405	554
Information Technology	574	555
Marketing	4	8
Depreciation	328	157
Amortisation	78	16
Legal Costs	151	134
Recruitment	3	47
Accommodation	115	105
Training	32	44
Interpreters	39	73
Stationery/postage	6	25
Board expenses	4	2
Restructuring & Professional Fees	610	320
Other	134	101
<b>Total</b>	<b>2,483</b>	<b>2,141</b>

The remuneration to the NAO in respect of external audit work carried out in 2019-20 was £38,000 (£40,000 2018-19).

## 4. Income

	2019-20 £000s	2018-19 £000s
Additional enforcement income from DAERA* for regional food activity	100	100
Other income	6	16
<b>Total</b>	<b>106</b>	<b>116</b>

\*Department of Agriculture, Environment and Rural Affairs in Northern Ireland.

In addition, a further £6,000 was received by the GLAA from external sources in 2019-20 to assist with enforcement activity and training fees (£16,000 2018-19).

## 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 been reviewed annually but have remained unchanged since 2009.

Under the 2004 GLA 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:

### 1 April 2019 to 31 March 2020

	Average Number of Active Licences	Licence Applications Cancelled	Licence Applications Refused	Licences Revoked	Recognised £000s
Horticulture, agriculture and shellfish	1,049	79	15	23	760

### 1 April 2018 to 31 March 2019

	Average Number of Active Licences	Licence Applications Cancelled	Licence Applications Refused	Licences Revoked	Recognised £000s
Horticulture, agriculture and shellfish	1,016	67	13	19	715

The number of licences presented in the 2018-19 accounts was incorrect (1,114). The correct number for the licences active at 31 March 2019 was 1,026. The figure now presented is the average (monthly) number of licences active during the financial year, which better represent licensing activity for the reporting period.

## Application Inspections

Application inspection income is based on gross annual turnover within the sector, as identified in the table above. In 2019-20 inspection income was £246,000 (£184,000 2018-19).

## 6. Property, Plant and Equipment 2019-20

	Plant and Machinery Total £000s	Information Technology Total £000s	Fixtures and Fittings Total £000s	Assets under construction Total £000s	GLAA Total £000s
<b>Cost or Valuation:</b>					
<b>At 1 April 2019</b>	<b>41</b>	<b>1,538</b>	<b>112</b>	-	<b>1,691</b>
Additions	-	30	-	-	30
Disposal	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 31 March 2020</b>	<b>41</b>	<b>1,568</b>	<b>112</b>	-	<b>1,721</b>
<b>Depreciation:</b>					
<b>At 1 April 2019</b>	<b>20</b>	<b>173</b>	<b>56</b>	-	<b>249</b>
Charge for the period	7	308	13	-	328
Disposal	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 31 March 2020</b>	<b>27</b>	<b>481</b>	<b>69</b>	-	<b>577</b>
<b>Net book value:</b>					
<b>At 31 March 2020</b>	<b>14</b>	<b>1,087</b>	<b>43</b>	-	<b>1,144</b>
<b>At 31 March 2019</b>	<b>21</b>	<b>1,365</b>	<b>56</b>	-	<b>1,442</b>
<b>Asset Financing:</b>					
Net book value owned as at 31 March 2020	14	1,087	43	-	1,144
Net book value leased as at 31 March 2020	-	-	-	-	-
<b>Carrying amount at 31 March 2020</b>	<b>14</b>	<b>1,087</b>	<b>43</b>	-	<b>1,144</b>

## Property, Plant and Equipment 2018-19

	Plant and Machinery Total £000s	Information Technology Total £000s	Fixtures and Fittings Total £000s	Assets under construction Total £000s	GLAA Total £000s
<b>Cost or Valuation:</b>					
<b>At 1 April 2018</b>	<b>40</b>	<b>261</b>	<b>119</b>	<b>880</b>	<b>1,300</b>
Additions	-	1,517	-	(880)	637
Disposal	-	(240)	-	-	(240)
Adjustment	1	-	(7)	-	(6)
<b>At 31 March 2019</b>	<b>41</b>	<b>1,538</b>	<b>112</b>	<b>-</b>	<b>1,691</b>
<b>Depreciation:</b>					
<b>At 1 April 2018</b>	<b>9</b>	<b>261</b>	<b>62</b>	<b>-</b>	<b>332</b>
Charge for the period	7	152	(2)	-	157
Disposal	-	(240)	-	-	(240)
Adjustment	4	-	(4)	-	-
<b>At 31 March 2019</b>	<b>20</b>	<b>173</b>	<b>56</b>	<b>-</b>	<b>249</b>
<b>Net book value:</b>					
<b>At 31 March 2019</b>	<b>21</b>	<b>1,365</b>	<b>56</b>	<b>-</b>	<b>1,442</b>
<b>At 31 March 2018</b>	<b>31</b>	<b>-</b>	<b>57</b>	<b>880</b>	<b>968</b>
<b>Asset Financing:</b>					
Net book value owned as at 31 March 2019	21	1,365	56	-	1,442
Net book value leased as at 31 March 2019	-	-	-	-	-
<b>Carrying amount at 31 March 2019</b>	<b>21</b>	<b>1,365</b>	<b>56</b>	<b>-</b>	<b>1,442</b>



## 7. Intangible Assets

2019-20	Software Licence £000s	Assets under Construction £000s	GLAA Total £000s
<b>Cost or Valuation:</b>			
<b>At 1 April 2019</b>	<b>2,179</b>	-	<b>2,179</b>
Addition	10	171	181
Disposals	-	-	-
Revaluation	65	-	65
<b>At 31 March 2020</b>	<b>2,254</b>	<b>171</b>	<b>2,425</b>
<b>Amortisation:</b>			
<b>At 1 April 2019</b>	<b>2,022</b>	-	<b>2,022</b>
Charge for the period	78	-	78
Disposals	-	-	-
Revaluation	64	-	64
<b>At 31 March 2020</b>	<b>2,164</b>	<b>0</b>	<b>2,164</b>
<b>Net book value:</b>			
<b>At 31 March 2020</b>	<b>90</b>	<b>171</b>	<b>261</b>
At 31 March 2019	157	-	157

2018-19	Software Licence £000s	Assets under construction £000s	GLAA Total £000s
<b>Cost or Valuation:</b>			
<b>At 1 April 2018</b>	<b>1,986</b>	-	<b>1,986</b>
Addition	144	-	144
Disposals	-	-	-
Revaluation	49	-	49
<b>At 31 March 2019</b>	<b>2,179</b>	-	<b>2,179</b>
<b>Amortisation:</b>			
<b>At 1 April 2018</b>	<b>1,956</b>	-	<b>1,956</b>
Charge for the period	16	-	16
Disposals	-	-	-
Revaluation	50	-	50
<b>At 31 March 2019</b>	<b>2,022</b>	-	<b>2,022</b>
<b>Net book value:</b>			
<b>At 31 March 2019</b>	<b>157</b>	-	<b>157</b>
At 31 March 2018	30	-	30

The carrying amount of the intangible fixed assets had the revaluation not occurred is £86,000 (£197,000 2018-19). Additions in 2019-20 included accruals of £75,000 (£160,000 in 2018-19).

The net book value of Licensing Application Workflow System (LAWS) was £90,000 (£154,000 2018-19).

## 8. Trade Receivables, Financial and Other Assets

	2019-20 £000s	2018-19 £000s
<b>Trade receivables:</b>		
Trade receivables	(5)	(2)
<b>Other receivables:</b>		
Prepayments	169	71
Other receivables	4	6
<b>Total</b>	<b>168</b>	<b>75</b>

## 9. Cash and Cash Equivalents

	2019-20 £000s	2018-19 £000s
Balance at 1 April	917	1,671
Net change in cash and cash equivalent balances	43	(754)
<b>Balance at 31 March</b>	<b>960</b>	<b>917</b>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	960	917
<b>Balance at 31 March</b>	<b>960</b>	<b>917</b>

## 10. Trade Payables and Other Current Liabilities

	2019-20 £000s	2018-19 £000s
<b>Amounts falling due within one year</b>		
Other taxation and social security	15	16
Trade payables	517	-
Accruals	1,877	1,720
Contract Liabilities	401	420
<b>Total</b>	<b>2,810</b>	<b>2,156</b>

£314,000 (£448,000 2018-19) of the accruals relate to capital and more information can be found in notes 6 and 7 on pages 71 and 73.

## 11. 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.

	2019-20
	Server Room Decommissioning £000s
Balance as at 1 April 2019	17
Provided in the year	-
Provisions not required written back	-
Provisions utilised in the year	-
Unwinding of discount	-
<b>Balance at 31 March 2020</b>	<b>17</b>

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

## 12. Capital commitments

	2019-20	2018-19
	£000s	£000s
Contracted capital commitments at 31 March 2020 not otherwise included in these accounts:		
New Licensing System	569	-
<b>Total</b>	<b>569</b>	<b>-</b>

## 13. Commitments under Leases

	2019-20			2018-19		
	Buildings £000s	Vehicles £000s	Other £000s	Buildings £000s	Vehicles £000s	Other £000s
Not later than 1 year	107	103	-	12	117	-
Later than 1 year and not later than 5 years	414	103	-	-	223	-
Later than 5 years	465	-	-	-	-	-
<b>Total</b>	<b>986</b>	<b>206</b>	<b>-</b>	<b>12</b>	<b>340</b>	<b>-</b>

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.

## 14. Other Financial Commitments

As part of the 2019-20 Accounts, the GLAA is required to disclose information on other financial commitments as at 31 March 2020.

The amounts to be disclosed are the total amount to which the GLAA is committed to pay, analysed by the period in which the payments are due. 'Other Commitments' are defined as non-cancellable contracts which are not leases, Public Finance Initiative contracts or capital commitments and relate to the GLAA share of the IBM Defra contract.

## 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 60.

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 senior managers on an annual basis and is included on page 52. Payment to senior managers has been disclosed as part of the Remuneration and Staff Report on pages 45 and 46.

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

The outbreak of Covid-19 has not had any material impact on the financial statements.

The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General's audit certificate on pages 54 to 57.

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