



Home Office



Gangmasters &  
Labour Abuse Authority

# Framework Agreement

August 2018

# HOME OFFICE – GANGMASTERS AND LABOUR ABUSE AUTHORITY (GLAA) FRAMEWORK AGREEMENT

## Introduction

Framework Agreements form an essential part of the foundation of the relationship between a public body and a sponsor Department. They define at a high level what function the public body fulfils and the roles and responsibilities of the key individuals involved in running, sponsoring, and overseeing the activities of the body. Framework Agreements are published on the website of the public body and the sponsor department.

This Framework Agreement reflects the principles and standards set out in the [Code of Good Practice](#) for partnerships between departments and arm's length bodies published by the Cabinet Office. The Home Office and the Gangmasters and Labour Abuse Authority (GLAA) are jointly responsible for ensuring a healthy and constructive relationship with appropriate senior level dialogue between them. This document has been drawn up by the Home Office in consultation with the GLAA. It has been shared with the Department of Business, Energy and Industrial Strategy (BEIS) and takes into account their comments. Approval within the Home Office is undertaken by the Permanent Secretary, as Principal Accounting Officer

This Framework describes the high level parameters that define how the two organisations will work together. It must be reviewed annually and, where appropriate, revised. An earlier review may be triggered by any one of the following events:

- The appointment of a new Chair or Chief Executive.
- A change in senior Home Office personnel.
- A significant change in government policy relating to the business of the GLAA.
- If the Head of the Home Office Sponsorship Unit (HOSU) and the Chief Executive of the GLAA (on behalf of the Board) agree a review is required.

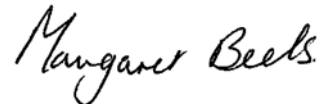
The review should be undertaken jointly by the GLAA and the Home Office and any resulting document published to replace this version.

### **Date of publication:**

### **Signatories:**




Sir Philip Rutnam, Permanent Secretary, Home Office



Margaret Beels, Chair, Gangmasters and Labour Abuse Authority

Margaret Beels, Chair, Gangmasters and Labour Abuse Authority



Roger Bannister, interim Chief Executive, Gangmasters and Labour Abuse Authority

Roger Bannister, interim Chief Executive, Gangmasters and Labour Abuse Authority

**Document owned by:** Home Office Sponsorship Unit and the Gangmasters and Labour Abuse Authority.

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## Purpose and functions

### **1. Purpose and functions of the GLAA**

- 1.1 The Gangmasters Licensing Authority (GLA) was established as an Executive Non-Departmental Public Body (NDPB) under the Gangmasters (Licensing) Act 2004 to protect vulnerable workers and prevent worker exploitation in the agriculture, shellfish gathering, and food and drink processing and packaging sectors. Responsibility for the GLA transferred from Defra to the Home Office in 2014.
- 1.2 The GLA's remit was extended under provisions in the Immigration Act 2016 Act giving the Authority a new mission to prevent, detect and investigate worker exploitation across the entire economy in support of the new Director of Labour Market Enforcement's annual strategy.
- 1.3 The Immigration Act 2016 introduced powers under the Police and Criminal Evidence Act (PACE) 1984 to enable officers of the GLAA to investigate serious cases of labour market abuse, including offences under national minimum wage, employment agencies and modern slavery legislation, as well as offences under its own legislation. The Act also amended the Gangmasters (Licensing) Act 2004 to allow a flexible approach to statutory licensing of labour providers to other sectors; the GLA was renamed the Gangmasters and Labour Abuse Authority (GLAA) to reflect its broader functions.
- 1.4 The GLAA licenses labour providers (also known as gangmasters), and aims to ensure that those licensed operate within the law and works to tackle those engaging in unlicensed or criminal activity. The governance arrangements for the Authority's licensing remit are set out in the Gangmasters (Licensing Authority) Regulations 2015.
- 1.5 Functions of the GLAA under the Gangmasters (Licensing) Act 2004:
  - to carry out the functions relating to licensing that are conferred on it by the Act;
  - to ensure the carrying out of such inspections as it considers necessary of persons holding licences under the Act;
  - to keep under review generally the activities of persons acting as gangmasters;
  - to supply information held by it to specified persons in accordance with the provisions of these Acts;
  - to keep under review the operation of the Act;
  - such other functions as may be prescribed in regulations made by the Secretary of State.
- 1.6 Functions of the GLAA under the Immigration Act 2016:
  - to utilise new sanctions of labour Market Enforcement Undertakings (LMEUs) and Labour Market Enforcement Offences (LMEOs);
  - to work in accordance with the Labour Market Enforcement Director's annual strategy.
- 1.7 Functions in relation to the labour market are set out in section 11 and Schedule 2 of the Immigration Act 2016.

## Plans

- 1.8 The strategic aim of the GLAA will be set out in the three year strategic plan. Annual business plans will set out more detailed plans for the relevant year.
- 1.9 The aims, strategic plan, and business plan may be influenced during the life of this document by a letter of direction from a Home Office Minister, or by the strategy of the Director of Labour Market Enforcement (DLME) and signed off by the GLAA Board. (such letters should be added as further annexes to this agreement).

## Powers

- 1.10 In addition to powers conferred by the Gangmasters (Licensing) Act 2004, the Home Secretary has authorised officers of the GLAA to act as labour abuse prevention officers (LAPOs) under section 114B of the Police and Criminal Evidence Act (PACE) 1984 and exercise powers under PACE 1984 to investigate labour market offences.
- 1.11 A copy of the authorisation and requirements is attached at Annex 2.
- 1.12 The Secretary of State for Business, Energy and Industrial Strategy (BEIS) has made arrangements pursuant to section 13(1)(b) of the National Minimum Wage Act 1998 and section 8A(1)(b) of the Employment Agencies Act 1973 (“the Acts”) for LAPOs to act for the purposes of those Acts in England and Wales. This includes for the use of the Labour Market Enforcement ('LME') Undertakings and Orders regime in the Immigration Act 2016 (see sections 14 to 30).

The arrangements have been made subject to the following restrictions. A LAPO may not:

- a) issue Notices of Underpayment under the National Minimum Wage Act 1998 (see sections 19 to 19H), or
- b) apply for prohibition orders under the Employment Agencies Act 1973 (see sections 3A to 3D).

Any other officer of the Authority (i.e. who is not a LAPO) may only act for the purposes of the Acts in relation to using the LME Undertakings and Orders regime. A copy of the letter setting out those arrangements is attached at Annex 3.

## Governance and accountability

### **2. Ministerial responsibilities**

- 2.1. The Home Secretary holds overall responsibility for the Home Office and its agencies and will account for the GLAA's business in Parliament.
- 2.2. The Home Secretary's responsibilities with regard to the GLAA are specified in the Gangmasters Licensing Act and include in particular:
  - laying the GLAA's Annual Report and Accounts (ARA) with agreement from NAO before Parliament;
  - keeping Parliament informed about the GLAA's performance;
  - approving the amount of grant-in-aid / other funds to be paid to the GLAA and securing Parliamentary approval;
  - making timely appointments to the GLAA and approving the terms and conditions of GLAA members;
  - approving the appointment and terms and conditions of the GLAA Chief Executive;
  - approving proposals to amend the rules (section 8 Gangmasters (Licensing) Act 2004);
  - approving proposals to include or exclude other sectors into the statutory licensing regime (section 5 Gangmasters (Licensing) Act 2004).
- 2.3. The Parliamentary Under Secretary of State for Crime, Safeguarding and Vulnerability and Minister for Women, has specific responsibility for the GLAA within the Home Office ministerial team. From time to time and normally at least once a year the Minister may meet the Chair and/or the Chief Executive of the GLAA.
- 2.4. In carrying out its functions, the GLAA must comply with any general or specific direction given to it in writing by the Minister. Any such direction is subject to prior consultation with the GLAA and the DLME. This power can be used in the event of substantial changes in policy or the operating environment of the GLAA, should the responsible Minister consider that the GLAA will not conduct its operations in line with those policy or operational changes. This power can be used at any time, subject to the requirement for consultation.
- 2.5. The Secretary of State for Business, Energy and Industrial Strategy has Ministerial responsibility for enforcement of the National Minimum Wage Act 1998 and the Employment Agencies Act 1973 and will account to Parliament for the enforcement of those Acts by the GLAA.



### **3. Permanent Secretary responsibilities**

- 3.1. The Permanent Secretary is the Home Office's Principal Accounting Officer and has designated the Chief Executive as the GLAA Accounting Officer. The respective responsibilities of the Principal Accounting Officer and the NDPB Accounting Officer are set out in Chapter 3 of Managing Public Money.
- 3.2. The Home Office's Principal Accounting Officer is accountable to Parliament for the issue of any grant-in-aid funding to the GLAA. He is also responsible for advising the responsible minister:
  - on an appropriate budget for the GLAA set within the wider financial restrictions and spending priorities within the Home Office; and
  - how well the GLAA is delivering its strategic objectives and whether it represents value for money.
- 3.3. The Home Office's Principal Accounting Officer will also ensure that:
  - arrangements are in place to oversee GLAA's activities on a continuous basis;
  - significant performance issues in the GLAA are addressed, intervening when it is judged necessary;
  - risks to both the Home Office and the GLAA's objectives and activities are periodically assessed and managed; and
  - the GLAA is informed of relevant changes in government policy in a timely manner.

### **4. Home Office responsibilities**

- 4.1. The Home Office is responsible for the policy and legal framework in accordance with which the GLAA will deliver an effective and independent regime for the regulation of the supply of labour to the agriculture, food processing and packaging, shellfish gathering and any other sectors under the terms of the Gangmasters (Licensing) Act 2004 and Immigration Act 2016. The Home Office will work with the GLAA to support and ensure the delivery of such a regime. It will also support the GLAA to deliver its labour market priorities
- 4.2. The Home Office Sponsorship Unit will act as a focal point for the GLAA's contacts with the Home Office and broader government. This will include:
  - championing GLAA in taking forward its approved business plan;

- pursuing GLAA requests for extraordinary funding, and legislative<sup>1</sup> and policy advice within the Home Office to ensure timely responses or clear requests for further information;
- ensuring that the GLAA is kept up to date in a timely way on policy and operational changes within the Home Office and Government that may affect the GLAA's activities;
- ensuring that all requests for information are passed to the GLAA promptly and allow for a reasonable turnaround period;
- setting processes and timelines for the production of key documents, including strategic and business plans and Annual Reports and Accounts to facilitate their timely approval;
- ensuring that the GLAA has an effective, capable and quorate Board with balanced membership.

## **5. Home Office Senior Sponsor responsibilities**

5.1. The Director for Tackling Modern Slavery and Exploitation in Crime, Policing and Fire Group is the Senior Sponsor who will represent the Home Office at the most senior level. The Senior Sponsor will:

- ensure the GLAA has the appropriate delegations and authorities necessary for effective and robust delivery of its role; receives timely decisions on publication of its strategic plan, business plan and other matters requiring ministerial decisions; and is updated in a timely fashion with regard to developing Home Office or Government policy that may impact on its function;
- advise the Home Secretary on the role, performance and resourcing of the GLAA in the context of the wider Home Office or governmental objectives;
- support the Principal Accounting Officer in the discharge of their responsibilities (set out in section 3) including in relation to risk;
- ensure that the Home Office is appropriately represented at meetings of the GLAA Board and its Audit and Risk Committee;
- hold regular meetings with the Chief Executive to discuss performance against objectives and corporate measures, including financial outturn;
- ensure that the GLAA and the Home Office regularly, and at least annually, review their working relationship in the light of the principles and standards of the Cabinet Office code of good practice;

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<sup>1</sup> Home Office Legal Advisers do not provide legal advice to ALBs. If there is a matter on which GLAA requires legal advice it must commission such advice for itself.

- ensure that performance data is sufficient to provide a view of the health of the operation of the GLAA is collected, and where necessary, integrated into Home Office performance systems;
- play an active role in the annual appraisal of the Chair of the GLAA as signatory of their appraisal;
- have the discretion to delegate part of their role to another official at Director or Deputy Director level.

## **6. Responsibilities of the Sponsor - Home Office Sponsorship Unit, Modern Slavery Unit and the CPFPG Finance Business Partner**

6.1. The Modern Slavery and Organised Immigration Crime Unit (MSOICU) in the Directorate for Tackling Modern Slavery and Exploitation is the HO policy team with lead responsibility for the GLAA and will hold the primary relationship. The Home Office Sponsorship Unit (HOSU) will lead on corporate and non-policy issues. Together with the CPFPG Finance Business Partner, these teams will be the main source of advice to the Home Secretary on the discharge of his responsibilities in relation to the GLAA. MSOICU, HOSU and the Finance Business Partner will also support the Home Office's Principal Accounting Officer and the Senior Sponsor in their responsibilities towards the GLAA. They will:

- facilitate the GLAA's relationship with colleagues across government by making the appropriate introductions;
- provide advice to the Principal Accounting Officer and the Senior Sponsor to enable them to discharge their functions; and
- where appropriate, discharge responsibilities on behalf of the Principal Accounting Officer and the Senior Sponsor.

6.2. They will ensure that:

- the GLAA is briefed on relevant ministerial priorities, Home Office initiatives and significant developments in the wider policing or public sector landscape that may be relevant to the GLAA or the delivery of its functions;
- the GLAA is provided with as much notice as is reasonably practicable of machinery of Government changes affecting the GLAA, such as a change of sponsor Department;
- requests for information, answers to PQs, advice or other input are put to the GLAA in a timely fashion in accordance with the Public Body Protocol;
- requests for advice or decision made from the GLAA to the Home Office are dealt with expeditiously and in the event of delays a revised timeframe and regular updates are provided;

- there is effective planning and delivery of those matters that fall within the Home Office or Home Secretary's remit for which the GLAA is reliant.
- 6.3. They will be mindful of the GLAA's operational independence as a Non-Departmental Executive Body.

## **7. Responsibilities of the Chief Executive as GLAA Accounting Officer**

### General

- 7.1 The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which he has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the GLAA. In addition, he should ensure that the GLAA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of Managing Public Money available at:-

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/454191/Managing\\_Public\\_Money\\_AA\\_v2\\_-jan15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf)

### Responsibilities for accounting to Parliament

- 7.2 The Chief Executive is accountable to Parliament for:
- signing the GLAA Annual Report and Accounts, including the Statement of Accounting Officer's responsibilities and the Annual Governance Statement, and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Treasury or the Home Office;
  - signing a Statement on Internal Control regarding the system of internal control for inclusion in the annual report and accounts;
  - ensuring that effective procedures for handling complaints about the GLAA are maintained and widely known within the GLAA and are made clear to stakeholders and the public ; there is a separate complaints process for officers acting as LAPOs (see 7.3 below);
  - acting in accordance with the terms of the Treasury document, Managing Public Money and other instructions and guidance issued from time to time by the Home Office, the Treasury and the Cabinet Office; and
  - giving evidence, normally with the Principal Accounting Officer of the Home Office, when summoned before the Public Accounts Committee on the GLAA's stewardship of public funds.

## Responsibilities to the Home Office

### 7.3 Particular responsibilities to the Home Office include:

- establishing, in agreement with the Home Office, the GLAA's strategic and business plans in the light of the Home Office's wider strategic aims and wider regulatory policy, and with regard to the annual labour market enforcement strategy produced by the Director of Labour Market Enforcement (once approved by Ministers);
- informing the Home Office of progress in helping to achieve its policy objectives and in demonstrating how resources are being used to achieve those objectives;
- supporting the Home Office in carrying out its oversight role in relation to change programmes;
- informing the Home Office of the GLAA's strategic and business planning and seeking ministerial approval prior to the publication of such plans, and updating the Home Office on any significant risks to delivery;
- ensuring that forecasts and information on performance and finance are provided to the Home Office within agreed timescales; that the Home Office is notified promptly if over or underspends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or other means, are notified to the Department as soon as possible;
- complying with the duty to co-operate with the Independent Anti-slavery Commissioner, as under Section 43 of the Modern Slavery Act 2015;
- ensuring that the requirements set out in the letter of authorisation for officers of the GLAA to act as labour abuse prevention officers are met (see Annex 2);
- ensuring that the requirements and duties for investigating complaints, conduct matters and death and serious injury (DSI) matters about the conduct of officers of the GLAA who are authorised to act as LAPOs as set out in the Gangmasters and Labour Abuse Authority (Complaints and Misconduct) Regulations 2017 ("the IOPC Regulations") are met:- <http://www.legislation.gov.uk/uksi/2017/521/made>;
- informing the Home Office in advance of any media and/or communications activity GLAA plans to undertake including with Europol and other protocols with other countries;
- co-operating with the DLME and implementing recommendations from his strategy as agreed with the Home Office.

## Responsibilities to the Department for Business, Energy and Industrial Strategy

7.4 The Chief Executive is responsible for ensuring that the Authority's officers, who are appointed under section 13(1)(b) of the National Minimum Wage Act 1998 and section 8A (1)(b) of the Employment Agencies Act 1973 act in accordance with the instructions set out in the letter of arrangements issued by BEIS, which is included at Annex 3 of this

document, and any other guidance issued by BEIS.

This includes in exercising powers under the Acts that LAPOs will have regard to the published enforcement policies which are set out in published documents:- <https://www.gov.uk/government/publications/enforcing-national-minimum-wage-law> and <https://www.gov.uk/government/publications/employment-agency-standards-eas-inspectorate-enforcement-policy-statement> . The GLAA should update its public enforcement information to make reference to these policies.

#### Responsibilities to the Director of Labour Market Enforcement

7.5 It is a requirement under Section 2(6) of the Immigration Act 2016 for the GLAA to carry out its functions in accordance with the Director's strategy once it is approved by Ministers and laid before Parliament. In particular, this will include providing management and other information to inform the Director's future strategies, on such frequencies and granularities as agreed by the GLAA and Director in the related MOU.

#### Responsibilities to Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services

7.6 The Chief Executive has agreed to voluntary inspections by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services on the use of GLAA LAPOs investigatory powers set out in the PACE Regulations. The Chief Executive is responsible for:

- agreeing the terms of reference for inspections with HMICFRS (annex 5);
- ensuring that relevant documents and data are made available to HMICFRS in order to carry out the inspection;
- ensuring that relevant officers are made available for interview by HMICFRS;
- ensuring that the costs are met for these inspections.

#### Responsibilities in relation to the Independent Office for Police Conduct

7.7 These are set out in Annex 4.

#### Responsibilities to the GLAA Board

7.8 The Chief Executive's responsibilities and priorities are agreed with the Chair and Board of the GLAA. These include responsibility for:

- advising the Board on the discharge of its responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Board on the GLAA's performance compared with its objectives and the quality of services delivered to the public;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed; and

- taking action as set out in paragraphs 3.8.6 of Managing Public Money if the Board or its Chair is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

## **8. The GLAA Board**

8.1. The Board will direct the affairs of the GLAA and ensure that the Authority properly discharges its functions and complies with the requirements of the Regulations. The Board will consist of a Chair and no more than eight additional members. The Board will invite a senior Home Office representative to attend. The Board is specifically responsible for:

- establishing oversight to ensure the GLAA takes forward the strategic aims and objectives of the GLAA consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- ensuring that the responsible minister is kept informed of any changes which are likely to impact on the strategic direction of the GLAA or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that it operates within the limits of its statutory authority and any delegated authority agreed with the Home Office, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, it takes into account guidance issued by the Home Office;
- ensuring that it receives and reviews regular financial information concerning the management of the GLAA; is informed as soon as possible about any concerns about the activities of the GLAA; and provides positive assurance to the Home Office that appropriate action has been taken on such concerns;
- ensuring that GLAA has a risk management strategy that is acted upon and reviewed regularly; and that risk escalation processes are in place and followed. The Board will use, the independent Audit and Risk Committee to help it address key financial and other risks;
- appointing, with the responsible minister's approval, a Chief Executive;
- demonstrating adherence to the Nolan Principles of Public Life;
- ensuring GLAA has a stakeholder engagement strategy which is current and effective;
- ensuring that GLAA liaises constructively and collaboratively with appropriate representative bodies for industry;

- ensuring that the GLAA discharges its statutory duties and responsibilities, working in close collaboration with key partner organisations, especially with the Director of Labour Market Enforcement;
  - ensure that GLAA works in collaboration with HMRC and BEIS in carrying out its functions under the National Minimum Wages Act 1998 and Employment Agencies Act 1973;
  - ensure that GLAA fulfils its responsibilities and co-operates with IOPC in relation to complaints regarding the conduct of Labour Abuse Prevention Officers.
- 8.2. The Board will be responsible for ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control. The GLAA must maintain its Audit and Risk Committee, chaired by an independent non-executive member, to provide independent advice and review in support of the Authority and the Chief Executive as Accounting Officer. The Authority and GLAA will put in place arrangements to assure itself of the effectiveness of its internal control and risk management systems.
- 8.3. A senior Home Office representative will be invited to attend Board meetings and Audit and Risk Committee meetings by the Chair of the Committee.

#### The Chair's personal responsibilities

- 8.4. The GLAA Chair is responsible to the Home Secretary for providing effective strategic leadership for the operation of the GLAA. The Chair's conduct should be in accordance with the Nolan Report Recommendations "The Seven Principles of Public Life". The Chair has a significant role in ensuring that the GLAA and its staff maintain the capability (within available resources) to:
- deliver the GLAA's statutory responsibilities and objectives;
  - provide an effective licensing scheme which targets non-compliant labour providers, whilst allowing those businesses which do conform to the required standards, to flourish;
  - achieve its performance indicators as defined in the GLAA's business plan;
  - enable it to respond positively and constructively to any changes in its policy or operational context;
  - take fully into account Government objectives and priorities in the area of employment protection for vulnerable workers;
  - maintain and develop effective partnerships at a strategic level with key bodies;
  - work in close collaboration with the Director for Labour Market Enforcement (DLME); as the GLAA is required to carry out its functions in accordance with the DMLE's strategy;
  - work in close collaboration with HMRC and BEIS to carry out its functions in accordance with the National Minimum Wages Act 1998 and Employment Agencies Act 1973;
  - fulfil GLAA's responsibilities and co-operate with the IOPC in relation to complaints regarding the conduct of labour abuse prevention officers;
  - hold the Chief Executive to account for delivery.



8.5. In addition, the Chair has the following leadership responsibilities:

- chairing meetings of the Non-Executive Board;
- plan and manage the Board's business, including setting agendas for Board meetings and clearing papers;
- ensure that the proceedings of the Board are documented, so that there is a clear audit trail of Board decisions;
- ensure active Board consideration of the GLAA's priorities;
- undertake annual performance appraisals of the Non-Executive Board members
- undertake annual performance appraisal of the Chief Executive of GLAA in line with agreed procedures and timetable;
- support the GLAA in meeting its statutory licensing and enforcement duties and in maintaining its capacity to do so;
- ensure the GLAA operates in line with Government policies as an NDPB;
- act as the public spokesperson of the Board;
- establish and maintain good working relationships with stakeholders;
- support and challenge the GLAA Chief Executive and staff; and
- as necessary, support the Chief Executive in communicating GLAA policies to, and consulting with, a wider range of interested parties.

8.6. The Chair also has an obligation to ensure that:

- the work of the Board is reviewed and the Board is working effectively;
- the recruitment process for Board members is informed by Chair's view of the balance of skills appropriate to directing GLAA business, as set out in the Government Code of Good Practice on Corporate Governance;  
[http://www.hm-treasury.gov.uk/d/corporate\\_governance\\_good\\_practice\\_july2011.pdf](http://www.hm-treasury.gov.uk/d/corporate_governance_good_practice_july2011.pdf)
- the Board is fully briefed on terms of appointment, duties, rights and responsibilities;
- the Home Secretary is advised of GLAA needs and when Board vacancies arise;
- the performance of the Board is appraised on an annual basis; and
- the Board Code of Conduct remains current and compliant with guidance issued by the Committee on Standards in Public Life.

#### Individual Board member responsibilities

8.7. Individual Board members should:

- comply at all times with the Board members Code of Conduct and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the GLAA rules on the acceptance of gifts and hospitality, and of business appointments;
- act in good faith and in the best interests of the GLAA; and
- demonstrate a commitment to the Nolan Principles of Public Life.

## **9. Essential Publications**

### Annual report and accounts

- 9.1. The GLAA must publish its Annual Report and Accounts (ARA) after the end of each financial year in accordance with the process issued by the Home Office Sponsorship Unit (see Annex 1).
- 9.2. The ARA must:
- cover any corporate, subsidiary or joint ventures under its control;
  - comply with the Treasury's Financial Reporting Manual (FReM); and
  - outline main activities and performance during the previous financial year and set out forward plans in summary form.
- 9.3. Information on performance on key financial targets should be included in the annual report. The ARA shall be laid in Parliament and made available on the GLAA website, in accordance with the guidance in the FReM. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Home Office as well as the FReM.

## **10. Internal audit**

### 10.1. The GLAA shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's PSIAS (Public Sector Internal Audit Standards) (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>);
- ensure the Home Office is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with public sector internal audit standards;
- maintain an Audit and Risk Committee in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward relevant audit papers, including the audit strategy, so that the Home Office can fully understand the audit approach of the GLAA;
- keep records of, and prepare and report on fraud and theft suffered by the GLAA and notify the Home Office of any unusual or major incidents as soon as possible.

- 10.2. The Home Office's internal audit service has a right of access on request to all documents prepared by the GLAA's internal auditor, including where the service is contracted out.

## 11. External audit

11.1. The Comptroller & Auditor General (C&AG) audits the GLAA annual accounts.

11.2. The C&AG:

- will consult the Home Office and the GLAA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
  - has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the GLAA;
  - will share with the Home Office information identified during the audit process and audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Home Office's responsibilities in relation to financial systems within the GLAA; and
  - will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.
- 11.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the GLAA has used its resources in discharging its functions. For the purpose of these examinations, the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the GLAA shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by C&AG which are held by other bodies.

### Rights of access

11.4. The Home Office has the right to access relevant information for the purpose of sponsorship audit and operational investigations, including in relation to propriety, integrity or other matters whilst taking into account of the subject to the applicable provisions of the Data Protection Act and any other relevant legislation. Where the GLAA identifies that access may compromise the actual or perceived ability to discharge its function independently, further advice will be sought.

## Management and financial responsibilities

### **12. Managing Public Money and other government-wide corporate guidance and instructions**

- 12.1. Unless agreed by the Home Office and, as necessary, HM Treasury, the GLAA shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions through the CPG Finance Business Partner in the Home Office, via their sponsor team in the first instance. A list of guidance and instructions with which the GLAA should comply is attached at Annex 1.
- 12.2. The respective Home Office and GLAA Finance Deputy Directors will ensure that there is strong financial discipline at all levels. The GLAA should consult the Home Office on all new investments before providing approval and will be responsible for giving advice on material business decisions, and as appropriate or where required.
- 12.3. Once the Grant In Aid has been approved by the Home Office and subject to any restrictions imposed by statute and the responsible minister's instructions, the GLAA shall have authority to incur expenditure approved in the budget without further reference to the Home Office, on the following conditions:
  - the GLAA shall comply with the delegations set out in financial and procurement delegation letters. These delegations shall not be altered without the prior agreement of the Home Office;
  - the GLAA shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
  - the GLAA shall conform with all Home Office and Government-wide spending controls;
  - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Home Office and other necessary governmental approvals departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
  - the GLAA shall provide the Home Office with such information about its operations, performance, individual projects or other expenditure as the Home Office may reasonably require.

### **13. Corporate governance**

#### Board appointments – the Chair and Board members

- 13.1 The Chair and Board members are appointed, as required, by the Secretary of State. Before appointing the Chair, the Secretary of State must consult with the Minister of Agriculture and Rural Development in Northern Ireland. Such appointments will comply with the Code of Practice of the Office of the Commissioner for Public Appointments

<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-20121.pdf> and adhere to the Treasury guidance on corporate governance: [http://www.hm-treasury.gov.uk/d/corporate\\_governance\\_good\\_practice\\_july2011.pdf](http://www.hm-treasury.gov.uk/d/corporate_governance_good_practice_july2011.pdf).

- 13.2 The Chair and Board members are approved for a fixed term not exceeding three years by the Home Secretary and may be eligible for re-appointment at the end of their term, at the discretion of Ministers. Such appointments will comply with the Code of Practice of the Office of the Commissioner on Public Appointments:  
<http://publicappointmentscommissioner.independent.gov.uk/the-code-of-practice/>
- 13.3 Provisions under the Gangmasters (Licensing Authority) Regulations 2015 5(2) state that “at the end of their period of appointment, each member of the Board must continue to hold office until the timely appointment of their successor takes effect”.

#### Board appointments – the Chief Executive

- 13.4 The GLAA will appoint the Chief Executive, subject to obtaining the Secretary of State’s consent to the appointment.
- 13.5 The Secretary of State will approve the terms and conditions of the Chief Executive.

#### **14. Risk Management**

- 14.1. The GLAA shall ensure that the risks that it faces, including risks to business continuity are dealt with in an appropriate manner, taking Home Office risk management guidance as a minimum standard, and in accordance with relevant aspects of best practice in strategic governance, and develop a risk management strategy, in accordance with the Treasury guidance, Management of Risk: Principles and Concepts ([http://www.hm-treasury.gov.uk/psr\\_governance\\_risk\\_riskguidance.htm](http://www.hm-treasury.gov.uk/psr_governance_risk_riskguidance.htm)).
- 14.2 GLAA should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury’s guide: Managing the Risk of Fraud ([http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf)). It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant-in-aid.
- 14.3 GLAA is not permitted to take out commercial insurance policies except as permitted in Managing Public Money annex 4.5.
- 14.4 Management of risk will be within the full control of the GLAA however there will be shared risks and issues, identified by either body where engagement of the Home Office to support risk mitigation and / or contingencies will be needed. These risks and issues should be escalated according to appropriate protocol and process agreed by the Home Office and its ALBs (see Annex 1). Those risks requiring urgent attention can be dealt with outside of the process and with agreement of the GLAA and Home Office.
- 14.5 GLAA and the Home Office shall each ensure that in the event of a business continuity issue affecting either, they inform the other of relevant details as soon as is practicable.

## **15. Strategic and business plans**

- 15.1. The GLAA shall develop a three year strategic plan and an annual business plan. Following Board approval both strategic and business plans will be submitted to the Home Office annually for approval by the Permanent Secretary and ministers.
- 15.2. The Home Office will provide guidance to inform financial assumptions. The Minister may write to set out strategic priorities for the GLAA.
- 15.3. The GLAA shall agree with the Home Office the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the GLAA's statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the GLAA contributes to the achievement of the Department's priorities and the delivery of the Director of Labour Market Enforcement's annual strategy.
- 15.4. The first year of the strategic plan, amplified as necessary, shall form the annual business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the department.
- 15.5. The following matters should be included in the plans:
  - key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
  - key non-financial performance targets;
  - Comparable outturns for the previous 2 years, and an estimate of performance in the current year;
  - alternative scenarios, if appropriate, and an assessment [and where suitable for publication] of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast;
  - other matters as agreed between the department and the ALB.
- 15.6. The strategic and business plans approved by Ministers will be published on the GLAA website and made available to stakeholders and staff as soon as possible after Ministerial approval.

## **16. Budgeting procedures**

- 16.1 Where possible the Home Office will provide indicative allocations, for planning purposes only, for the period possible in line with the Department's own indicative allocations. Each year, as close as possible to the start of the financial year, the Home Office will send to the GLAA:
- a letter of financial delegation which confirms the GLAA's total government funding allocation within which they are expected to deliver their business plan. This delegation remains in place until overtaken or withdrawn.
  - the Home Office will provide indicative future years allocations, for planning purposes only, to the GLAA corresponding to the Home Office indicative allocations. Where this is not possible, for example, at the end of a Spending Round, the Home Office will provide a clear explanation to GLAA on the reasons.
- 16.2 The approved annual business plan will take account both of planned expenditure and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.
- 16.3 Any significant finance decisions or expenditure not covered by a formal delegation must be agreed by the responsible Home Office Minister, Her Majesty's Treasury (HMT) or Cabinet Office as necessary.

## **17. Grant-in-aid and any ring-fenced grants**

- 17.1 Grant-In-Aid (GIA) funding for the year, is paid to the GLAA under paragraph 18 of Schedule 2 of the Gangmasters (Licensing) Act 2004.
- 17.2 The GLAA will request cash on a monthly basis in line with their needs, offset by licensing receipts and keeping cash accruals in the GLAA's bank to a prudent level. Once approved the Home Office will transfer the cash to the GLAA's bank account.
- 17.3 Planning, timetables, deadlines and steers from Home Office Finance, Cabinet Office and HMT, will be communicated as soon as possible with adequate timescales for a response unless urgent.
- 17.4 The GLAA should, in line with Managing Public Money principles, hold a Government Bank Account as soon as it is feasible.
- 17.5 In the event that the Home Office provides the GLAA separate grants for specific (ring fenced) purposes, it should issue the grant as and when the GLAA needs it on the basis of a written request. The GLAA should provide evidence that the grant is used for the purposes authorised by the Home Office. The GLAA shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

## **18. Reporting performance to the Department**

- 18.1 The GLAA shall operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the strategic and business plans. The GLAA shall inform the Home Office of any significant changes that make achievement of its strategic plan or statutory duties more or less difficult.
- 18.2 The GLAA shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies and the achievement of key objectives at least quarterly. This will be provided to the Home Office Sponsorship Unit and CPFPG Finance Business Partner who will ensure that the data is examined and discussed with colleagues in the Home Office and in GLAA. Where necessary, performance issues will be escalated to the EXCO.
- 18.3 The GLAA will contribute to the monthly performance "dashboard" which includes key performance indicators, budget forecast, top risks and issues, volumetrics and deliverables, including performance in helping to deliver ministers' policies and the achievement of key objectives. The "dashboard" is submitted monthly to the CPFPG Board and can be submitted elsewhere in the Department as appropriate.
- 18.4 Should GLAA performance fall significantly below the levels agreed in the business plan without a valid and agreed reason the responsible minister may impose sanctions fitting the circumstances. These may include but are not limited to a removal of delegated freedoms or a reduction in budget or any combination of sanctions felt necessary to get performance back to the agreed levels.
- 18.5 The responsible Minister can request and receive specific performance data where he/she has reasonable grounds to be concerned about performance in that area.

### Providing information to the Home Office

- 18.6 The Code of Corporate Governance requires Home Office departmental boards to have oversight of the following areas:
- Performance
  - Strategic clarity
  - Efficiency
  - Capabilities
  - Risk

Arrangements shall be made with the sponsor team to enable Home Office boards to oversee each of these areas.

- 18.7 As a minimum, the GLAA shall provide the Home Office with monthly financial information that will enable the Home Office to satisfactorily monitor:
- GLAA cash management and;



- its draw-down of grant-in-aid;
- forecast outturn and Actual position split by resource headings; and
- other data required for the Online System for Central Accounting and Reporting (OSCAR).

#### GLAA/Home Office working level liaison arrangements

- 18.8 Officials from the Home Office Sponsorship Unit and CPMG Finance Business Partner will liaise regularly and at least quarterly with GLAA staff to review GLAA financial performance against plans, achievement against targets and the expenditure against its Control Total. The sponsor team will also take the opportunity to explain, or arrange for policy teams to explain, wider policy developments that might have an impact on the GLAA. GLAA officials will explain the operational issues which underpin the delivery of statutory objectives and the impact of policy developments on performance.
- 18.9 GLAA staff will be mindful of the sponsor, policy and finance teams' need to provide advice and information to Ministers regarding the GLAA and its work. Similarly, the Home Office will be mindful of the need to make timely requests and share information relevant to the GLAA in a timely manner.
- 18.10 GLAA staff will take the opportunity to explain changes and updates to GLAA policy, initiatives and developments related to delivery of ministerial priorities, will respond in a timely manner to PQ information requests etc.

#### **19. Delegated authorities**

- 19.1. The GLAA delegated authorities are set out in the annual letter of delegation to the Accounting Officer. The GLAA shall obtain the Home Office's prior approval before:
- entering into any undertaking, contract or any other legally binding agreement to incur any expenditure that falls outside the GLAA's delegation provided by the Home Office;
  - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Home Office;
  - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
  - carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money and other government guidance.

19.2. The GLAA Accounting Officer has limited delegated authority for making special payments as set out in the annual delegation letter.

## **20. GLAA staff**

### Broad responsibilities for GLAA staff

20.1. Within the arrangements approved by the Home Secretary and the Treasury the GLAA will have responsibility for the recruitment, retention and performance of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination on grounds of sex or gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion or belief, disability, community background, age or any other irrelevant factor;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and the GLAA performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the GLAA's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- its staff policies are updated to include information setting out that complaints and misconduct issues made against GLAA officers who are authorised to act as LAPOs will be subject to oversight by the Independent Police Complaints Commission;
- suitable support structures are in place for staff including whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies ([http://www.civilservice.gov.uk/Assets/5\\_public\\_body\\_staffv2\\_tcm6-2484.pdf](http://www.civilservice.gov.uk/Assets/5_public_body_staffv2_tcm6-2484.pdf));
- its policies and operating procedures are updated so that staff who are authorised to act as LAPOs are aware of the standards of conduct that is expected of them when exercising powers under PACE 1984.

### Staff costs

20.2. Subject to its delegated authorities, the GLAA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to fund

them. External recruitment of non-frontline posts require Home Office approval. The Sponsorship Unit will seek annual approval for an external recruitment envelope for GLAA based on information supplied by GLAA.

- 20.3 The Home Office may direct the GLAA to join the Home Office and/or government shared services (such as for finance and IT) to make best use of resources, following discussion of the consequences and any cost changes being reflected in the financial allocation made to the GLAA. These would be within a defined framework according to arrangements agreed between the GLAA and the Home Office.

#### Pay and conditions of service

- 20.4 GLAA staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the Home Office and the Treasury. The GLAA has no delegated power to amend these terms and conditions.
- 20.5 The GLAA should have regard to Chapter 5 of the Cabinet Office Guide to Public Bodies that provides guidance on staff issues in public bodies.  
<http://www.civilservice.gov.uk/about/resources/information-on-public-bodies>
- 20.6 The GLAA will submit a pay remit to the Home Office on an annual basis to determine the pay envelope for the next financial year. The Home Office will ensure that such a remit is considered promptly and effectively.
- 20.7 The GLAA shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the Home Office and Treasury.
- 20.8 Staff terms and conditions should be set out in policies and procedures, which should be available to the Home Office together with subsequent amendments.
- 20.9 The GLAA shall comply with all relevant legislation relating to employees, including the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

#### Pensions, redundancy and compensation

- 20.10 GLAA appears as “Gangmasters Licensing Authority” in the list of bodies admitted into the Civil Service Pension scheme under Schedule 1 of the Superannuation Act 1972. As such, GLAA will comply with all aspects of pension administration for its staff as set out in the participation Agreement issued by Cabinet Office at the time of admission into the scheme.
- 20.11 Any proposal by the GLAA to move from the existing pension arrangements or to pay any redundancy or compensation for loss of office requires the prior approval of the Home Office and, as appropriate, the approval of the Cabinet Office if it is outside of the GLAA formal HR policies. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

### **21 Review of ALB’s status**

21.1 The GLAA will be subject to periodic external review either as part of the Government's review process or equivalent external scrutiny.

## **22 Arrangements in the event that the ALB is wound up**

22.1 The Home Office as sponsor department shall put in place arrangements to ensure the orderly winding up of the GLAA. In particular it should ensure that the assets and liabilities of the GLAA are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the Home Office. To this end, the Home Office shall:

- ensure that procedures are in place in the GLAA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the GLAA's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the Home Office's AO should sign;
- GLAA will follow its own restructuring, redeployment and redundancy procedures, seeking Home Office advice and guidance where necessary eg. potential redeployment activities.

22.2 The GLAA shall provide the department with full details of all agreements where the GLAA or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to the GLAA.

22.3 If the responsibility for the criminal offences in the Act transfers to another Government Department, or the GLAA becomes part of another Government Department, the transfer will be arranged so as to minimise any disruption in the services. Home Office will also transfer records of audits and other service management related documentation as may be required to support the transfer.

## Annex 1

### Compliance with government-wide corporate guidance and instructions

The GLAA shall comply with the following general guidance documents and instructions:

- This document;
- Instructions and guidance issued by the Department for Business, Energy & Industrial Strategy in relation to enforcement of the National Minimum Wage Act 1998 and Employment Agencies Act 1973, including the respective published enforcement policies relating to both Acts
- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice*  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments> ;
- *Code of Conduct for Board Members of Public Bodies* [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf)
- *Code of Practice for Ministerial Appointments to Public Bodies*  
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>
- *Managing Public Money* (MPM);  
[http://www.hm-treasury.gov.uk/psr\\_mpm\\_index.htm](http://www.hm-treasury.gov.uk/psr_mpm_index.htm)
- Public Sector Internal Audit Standards,  
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- Management of Risk: Principles and Concepts: ;  
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud,  
[http://webarchive.nationalarchives.gov.uk/20130129110402/\\_http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/_http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf) ;
- Government Financial Reporting Manual (FReM),  
<https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*;
- Departmental Banking: A Manual for Government Departments, annex 5.6 of *Managing Public Money*;
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money,  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm);
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration  
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples> ;
- HM Treasury letter of 30 November 2012;

- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf)];
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instructions and guidance issued by the central Departments as appropriate;
- specific instructions and guidance issued by the Home Office as sponsor Department as appropriate;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the GLAA;
- Home Office process notes.

## **Annex 2**

### **Authorisation of officers to act as Labour Abuse Prevention Officers**

The attached letter provides authorisation for officers of the GLAA to act as LAPOs and the requirements that must be met and maintain for officers to act in this capacity and exercise powers of investigation into labour market offences.



Home Office

Jeremy Oppenheim  
Director, Safeguarding  
5th Floor Fry SW Quarter  
2 Marsham Street  
London  
SW1P 4DF

Margaret Beels  
Chair, Gangmasters and Labour Abuse  
Authority

Tel +44 (0)207 035 0230  
E-mail [jeremy.oppenheim@homeoffice.gsi.gov.uk](mailto:jeremy.oppenheim@homeoffice.gsi.gov.uk)  
Web [www.gov.uk](http://www.gov.uk)

By email

28 April 2017

Dear Margaret

## **GANGMASTERS AND LABOUR ABUSE AUTHORITY – AUTHORISATION OF OFFICERS TO ACT AS LABOUR ABUSE PREVENTION OFFICERS**

I am writing on behalf of the Secretary of State in relation to the authorisation of officers to act as labour abuse prevention officers.

The Immigration Act 2016 introduced a number of measures to strengthen the Government's approach to labour market enforcement, including reforming the Gangmasters Licensing Authority into the Gangmasters and Labour Abuse Authority (GLAA) giving it a new mission and stronger police –style powers to deal with serious cases of labour market exploitation/abuse across the economy.

### **Authorisation**

This letter authorises, for the purposes of section 114B of the Police and Criminal Evidence Act 1984 ("PACE"), those officers of the GLAA who have completed training approved by the Secretary of State for the purpose of that section, as certified by the Chief Executive.

This authorisation takes effect on 30 April 2017 when the powers come into force. This letter replaces any previous letter of authorisation.

The Chief Executive of the GLAA will be responsible for ensuring that officers maintain the appropriate level of approved training and must ensure that an officer who fails to do so is no longer certified as satisfying the training requirement.

The effect of this authorisation is that authorised officers who are acting for the purposes of:

- the Employment Agencies Act 1973 ("the EEA 1973");
- the National Minimum Wage Act 1998 ("the NMWA 1998");
- the Gangmasters (Licensing) Act 2004 as an enforcement officer within the meaning of section 15 of that Act; and
- Part 1 or 2 of the Modern Slavery Act 2015,

are LAPOs and may exercise the powers of investigation set out in the Police and Criminal Evidence Act 1984 (Application to Labour Abuse Prevention Officers) Regulations 2017 ("the PACE Regulations").



### Oversight of the use of investigatory powers

The exercise of powers under the PACE Regulations by officers of the GLAA is subject to oversight by the Independent Police Complaints Commission pursuant to the Gangmasters and Labour Abuse Authority (Complaints and Misconduct) Regulations 2017 ("the IPCC Regulations") and, by agreement, to voluntary inspections by Her Majesty's Inspectorate of Constabulary, until such time that these inspections are put onto a statutory footing.

### Director of Labour Market Enforcement's Strategy

In January, the Government appointed Professor Sir David Metcalf CBE as the Director of Labour Market Enforcement to bring focus and co-ordination to the enforcement of labour market legislation. The Director will set the strategic priorities for labour market enforcement in his annual strategy and outline the role of each of the three main enforcement bodies, including the GLAA, in delivering them. The use of these powers by LAPOs will be an important component in delivering that strategy in order to tackle serious cases of labour market exploitation.

### Enforcement Activity

I understand that officials will write on behalf of the Secretary of State for Business, Energy and Industrial Strategy to you separately in respect of the arrangements for LAPOs acting for the purposes of the EAA 1973 and the NMWA 1998.

I expect LAPOs to make full use of the provision to seek labour market enforcement undertakings and orders alongside their investigatory powers. LAPOs should liaise with the police and other law enforcement bodies in advance of any enforcement activity where appropriate and when additional support and resources may be required, particularly given the need for LAPOs to hand over arrested persons into police custody.

LAPOs must carry appropriate identification and, in addition, certain powers require LAPOs to provide documentary evidence that the officer is a LAPO in order to exercise the power (for example, execution of search warrants).

### Framework agreement between the GLAA and the Home Office

The Framework agreement between the GLAA and the Home Office will contain further details about the administrative requirements relevant to the use of these powers.

The authorisation of officers for the purpose of section 114B of PACE will be kept under review.

I am copying this letter to Paul Broadbent, Chief Executive, Gangmasters and Labour Abuse Authority.



Jeremy Oppenheim

## **Annex 3**

### **Enforcement of the National Minimum Wage Act 1998 and Employment Agencies Act 1973**

The attached document sets out the arrangements made by the BEIS Secretary of State for GLAA officers to act for the purposes of the National Minimum Wage Act 1998 and Employment Agencies Act 1973.



Department for  
Business, Energy  
& Industrial Strategy

1 Victoria Street  
London SW1H 0ET

T +44 (0) 20 7215 5000  
E [www.bis.gov.uk/contact](http://www.bis.gov.uk/contact)  
[www.beis.gov.uk](http://www.beis.gov.uk)

Mrs Margaret Beels  
Chair  
Gangmasters and Labour Abuse Authority  
PO Box 10272  
Nottingham  
NG2 9PB

Copy to: Paul Broadbent, Chief Executive

30 April 2017

Dear Margaret

**ARRANGEMENTS UNDER THE NATIONAL MINIMUM WAGE ACT 1998 AND THE EMPLOYMENT AGENCIES ACT 1973**

On behalf of the Secretary of State for Business, Energy and Industrial Strategy, this letter makes arrangements pursuant to section 13(1)(b) of the National Minimum Wage Act 1998 and section 8A(1)(b) of the Employment Agencies Act 1973 ('the Acts') for officers of the Gangmasters and Labour Abuse Authority ('the Authority') to act for the purposes of those Acts.

**Arrangements under the Acts**

An officer of the Authority who has been authorised for the purposes of section 114B of the Police and Criminal Evidence Act 1984 ("authorised officers") may act for the purposes of the Acts in England and Wales, including for the use of the Labour Market Enforcement ('LME') Undertakings and Orders regime in the Immigration Act 2016 (see sections 14 to 30). Authorised officers acting for the purposes of the Acts are labour abuse prevention officers ("LAPOs").

These arrangements are subject to the following restrictions. A LAPO may not:

- a) issue Notices of Underpayment under the National Minimum Wage Act 1998 (see sections 19 to 19H), or
- b) apply for prohibition orders under the Employment Agencies Act 1973 (see sections 3A to 3D)<sup>1</sup>.

Any other officer of the Authority (i.e. who is not a LAPO) may only act for the purposes of the Acts in relation to using the LME Undertakings and Orders regime.

These arrangements replace any previous arrangements.

For the avoidance of doubt, the Secretary of State authorises the supply of information under section 15(4), 5(A), (B) and (C) of the 1998 Act and section 148 of the Finance Act 2000 between the Authority and relevant authorities and officers acting for relevant purposes as provided for in those sections.

<sup>1</sup> Such applications being a matter for the Secretary of State.

## **Enforcement context and expectations as to use of powers**

The Secretary of State is making the arrangements set out above as part of the reforms to labour market enforcement being taken forward following the Immigration Act 2016. The strategic focus of the Authority's officers using these wider labour market powers will form part of the work of the Director of Labour Market Enforcement. The exercise of powers under the Acts will be overseen through the existing Framework agreement between the Authority and the Home Office, and in the case of LAPOs also by the IPCC and Her Majesty's Inspectorate of Constabulary, and will be kept under review by the Secretary of State and his officials.

To make the best use of enforcement resources, the Secretary of State understands that LAPOs will focus on the more serious cases of abuse and exploitation where breaches of more than one of the Acts is occurring or a breach of one of the Acts is combined with a breach of the Gangmasters (Licensing) Act 2004 or other legislation which LAPOs enforce in the circumstances.

Specifically the Secretary of State only expects LAPOs to

- use the LME Undertakings and Orders regime,
- institute civil or criminal proceedings, or
- apply other sanctions

for suspected breaches of either both the Acts, or of only one of the Acts and any other legislation which the LAPO may enforce in the relevant circumstances.

Enforcement of only one of the Acts alone is generally best performed by the normal relevant enforcing authority. In such cases the LAPO should agree an operational process with Her Majesty's Revenue and Customs ('HMRC') and the Employment Agency Standards Inspectorate respectively to pass them the necessary information to take enforcement steps.

Similarly any other officer of the Authority (i.e. who is not a LAPO) should only assist with the LME Undertakings and Orders regime for suspected breaches of either both the Acts, or of only one of the Acts and of any other legislation which is relevant for the purposes of trigger offences under the regime.

This is consistent with Ministers' intention for the Authority to take action on more serious labour market offences wherever they occur in the economy. To tackle these more complex, exploitative behaviours by employers, the Secretary of State understands that LAPOs and other officers will in appropriate cases make full use of the new powers to seek LME undertakings and orders for a combination of trigger offences.

Generally any enforcement activity to be undertaken by LAPOs and other officers under the Acts should be discussed with the other labour market enforcement bodies in advance or as soon as is reasonably practicable afterwards. The Authority should ensure the other bodies are informed and involved as appropriate in the development of any investigation. It will not generally be appropriate for LAPOs to conduct routine activity under these Acts (for example, where an investigation originates from a complaint made by a worker that relates to a breach of one of the Acts that arises from an administrative error) – that will continue to be taken forward by HMRC and the Employment Agency Standards Inspectorate.

LAPOs should carry appropriate identification to distinguish them from the Authority's other officers, and should at appropriate points make clear under which powers they are acting, including as appropriate when entering business premises and conducting visits or investigations.

In exercising powers under the Acts, the Secretary of State expects that officers will have regard to the published enforcement policies which are set out in published documents:  
<https://www.gov.uk/government/publications/enforcing-national-minimum-wage-law> and  
<https://www.gov.uk/government/publications/employment-agency-standards-eas-inspectorate-enforcement-policy-statement>. The Authority should update its public enforcement information to make reference to these policies.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Thompson', with a long horizontal flourish extending to the right.

**Chris Thompson**  
Director, Labour Market Directorate

## Annex 4

### Responsibilities to the Home Office - Independent Office for Police Conduct (IOPC)

#### Response to a recommendation made by the IOPC

When the IOPC makes a recommendation to the Chief Executive under regulation 77 of the [GLAA \(Complaints and Misconduct\) Regulations 2017](#), the Chief Executive should, in addition to complying with his/her obligations under regulation 77:

- ensure the Home Office is copied into the Authority's response to the IOPC's recommendation in parallel. In fulfilling this requirement, the Chief Executive is responsible for ensuring that the timescale set under regulation 77 is met.
- in cases where the Home Office has not received a copy of the IOPC's response, the Chief Executive will provide a copy of any response from the IOPC (following the Chief Executive's response to its recommendation) to the Home Office.
- where the Chief Executive believes the response to a recommendation should not be published in whole or in part, and representations to the IOPC have been rejected, the Chief Executive will make representations to the Home Office (in a timely manner before the end of the 21 day requirement to publish period) if the Chief Executive believes that the requirement to publish the response should not apply or should only apply to particular parts of it.
- ensure the response to the IOPC recommendation is published within 21 days of responding to the IOPC. Any decision not to publish within the timescale should be communicated with the Home Office on a case by case basis.

## **Annex 5**

### **Voluntary arrangements for HMICFRS inspection of the Gangmasters and Labour Abuse Authority's (GLAA) use of PACE powers**

Agreed terms of reference for inspections into the use of powers under PACE 1984 by officers authorised to act as LAPOs

#### **Purpose of inspection**

To inspect GLAA Labour Abuse Prevention Officers' (LAPOs) use of Police and Criminal Evidence Act (PACE) 1984 powers. These powers were introduced in The Police and Criminal Evidence Act 1984 (Application to Labour Abuse Prevention Officers) Regulations 2017 on 30 April 2017.

Inspection will seek to answer the headline question: Is the GLAA making good use of its investigative powers of entry, search and arrest?

And, within that, consider the following:

- Have sufficient numbers of staff been adequately trained to make use of these powers?
- Do GLAA systems and processes enable the use of investigative powers?
- Does the GLAA have, or have access to, the capabilities (e.g. specialist equipment and training) it needs in order to make use of its powers?
- Does the GLAA act fairly but with confidence, using its powers only in cases where the use of such powers is necessary?
- Are appropriate internal governance and supervision arrangements in place?

#### **Proposed methodology**

- In order to meet the Terms of Reference, HMIC will visit the GLAA and interview the CEO, relevant managers of LAPOs and a sample of the LAPOs. Some of the interviewees may be interviewed over the phone.
- HMIC will also need to review relevant documents and data.
- The final report will be published, in line with the standard approach and in the interests of transparency.
- The published report will not give a graded judgement but rather an indication of how things are and any relevant suggested areas for improvement.

#### **Timing**

- The first inspection will take place within a year of the PACE powers being introduced (Q1 2018/19). This will allow time for the LAPOs to bed in, use their powers and ensure there is sufficient information for HMIC to have access to for a useful inspection.
- Thereafter, inspection should occur annually, although if significant issues or problems are raised/found then consideration could be given to whether a sooner follow-up may take place.

#### **Funding**

- Cost of the inspections will be met by GLAA.