



Gangmasters &  
Labour Abuse Authority

# Gangmasters and Labour Abuse Authority

**Annual Report and Accounts  
1 April 2020 to 31 March 2021**

Working in partnership to protect vulnerable  
and exploited workers

HC 1041





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Labour Abuse Authority

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Annual Report and Accounts

**1 April 2020 to 31 March 2021**

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

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# Performance Report: Overview

## 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. We are an organisation of 119 people. The GLAA's sole office is in Nottingham where – in normal operations – just over 40 per cent of the team are based. This includes licensing, intelligence, finance, risk and information assurance, IT, communications, and HR. Just under 60 per cent of the teams are field-based and undertake intelligence, investigation, and compliance work 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 widely 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 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 sector<sup>2</sup>.

The organisation works with an exceptionally broad set of stakeholders who are key to our mission and the support we provide to victims. They range from those focused on specific sectors such as textiles and fast fashion, through to those representing workers' rights across all industries.

The organisation now works both independently and in collaboration 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 all forms of 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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1 Use of these powers does not extend to Scotland or Northern Ireland

2 The regulated sector includes Agriculture, Horticulture, Shellfish gathering and any associated processing and packaging activities.



Running through all our teams in the GLAA is a growing focus on prevention. In addition, a core aspect of our licensing and enforcement work involves engaging with partners. We deliver activity focused on preventing exploitation by improving awareness of the rules, helping businesses design out the risk of exploitation, and helping workers understand their rights and where they can report exploitative behaviours.

There are around 1,000<sup>3</sup> licensed gangmasters, based in both the UK and overseas<sup>4</sup>, who supply temporary contracted workers in the regulated sector. In this arena, the GLAA can use civil inspection powers as well as criminal enforcement. Our officers conduct application and compliance inspections using a licencing standards framework throughout the duration of a licence – ensuring workers are protected and there is a level playing field for compliant operators.

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>5</sup>

The GLAA is an Arms Length Body sponsored by the Home Office, but which is operationally independent and governed by a non-executive board, consisting

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3 This total varies as labour providers join and leave the regulated sectors.

4 <https://www.gla.gov.uk/i-am-a/i-supply-workers/do-i-need-a-glaa-licence/what-if-my-business-is-not-based-in-the-uk/>

5 Labour market offences are defined in section 3(3) of the Immigration Act 2016

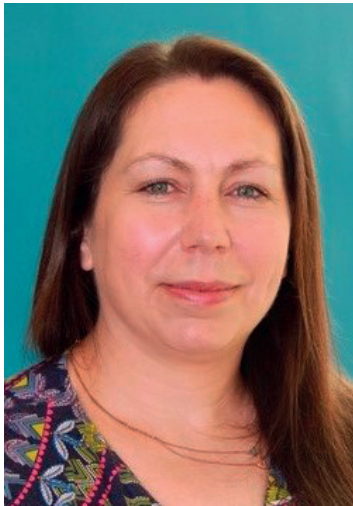
of six members plus the chairperson. The Board provides scrutiny, oversight, and governance of the GLAA, assuring the work of the Chief Executive Officer and leadership team. The Board is supported in this work by its Audit and Risk Committee (ARC) and its Remuneration Committee.

The GLAA's policy leadership is with the Home Office Public Safety Group and it is audited regularly through arrangements with the 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. In 2018, we were subject to inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).

As identified in the foreword below, the GLAA welcomed government proposals to bring together a range of bodies into a Single Enforcement Body (SEB), and most recently the Government's response to the public consultation. The GLAA believe these proposals will bring together and enhance the response to labour exploitation. This should happen quickly and with a focus on the added value the Government's response can provide.

In line with our commitments, we present this annual report and accounts on a 'going concern' basis as identified in the accounting policies.

# Foreword



**Elysia McCaffrey**  
Chief Executive Officer

Michael Rich stepped down as Chief Executive and Accounting Officer in July 2020. The Board appointed Ziggy MacDonald as interim Chief Executive/Accounting Officer until Elysia McCaffrey succeeded him at the end of June 2021. This report covers the financial year 2020-21, which began under Michael's leadership and concluded under Ziggy's leadership.

At the start of the year, the GLAA had to make significant operational changes due to the Covid-19 pandemic. New ways of working were rapidly put in place and office colleagues moved to home working. Operational colleagues, already home based, adopted rigorous risk assessments to ensure priority cases were still investigated.

Protecting vulnerable workers from exploitation is the core purpose of the GLAA – it's in our DNA. Our licensing and compliance functions, the increasing

focus on prevention, and the powers we have as a law enforcement body, are all geared towards our mission – protecting vulnerable and exploited workers.

Through our 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 can to prevent workers from being exploited, identify, and help those who sadly already have been exploited and pursue those who have no scruples about using people as commodities.

In 2021, the GLAA identified over 7,700 victims<sup>6</sup>, demonstrating the scale of the challenge, and reminding us that our reach, and our investigative capability, must remain robust and innovative.

Workers in forced and compulsory labour very often do not 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 (NRM)<sup>7</sup>, and where possible, the GLAA seeks to be proactive with victims of exploitation to enable them to find good work and secure accommodation.

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6 [GLAA Performance report 20/21](#)

7 A national system for identifying victims of human trafficking and ensuring they receive the appropriate protection and support

Our licensing scheme is used to regulate businesses that provide workers to the agriculture, horticulture, food processing and packaging, and shellfish gathering industries. We license more than 1,000 businesses. Licensing seeks to make sure employers meet the employment standards required by law. It remains the lynchpin of our efforts to help protect people working in this regulated sector and ensure a level playing field for businesses.

Gaining a licence is an endorsement of a business's fitness and capability to provide workers with an environment in which all their rights are respected. It is right that the criteria for attaining one should be robust, but also that new businesses should be encouraged to enter the sector responsibly. During the year, we have seen a 42 per cent increase in the number of requests for a licence. Whilst much of this represents previous licence holders reapplying post renewal date, the level of work for us has increased.

In 2020-21 there has been significant focus on the efficiency of our licensing processes and the time to complete compliance inspections. Covid-19 meant that we had to alter our process to remain operational. We moved to carrying out application inspections remotely but had to reduce the number of compliance inspections we could undertake. This was to take account of the need both to safeguard GLAA inspectors from Covid-19 and to safeguard workers in food supply businesses. Throughout the year, we ran a project to replace the 15-year-old licensing system with a new system

(GLASS), which will deliver benefits both to GLAA and to licensees in terms of usability and efficiencies.

Our industry partners are vital to our mission and their support and challenge helps us deliver a robust regime. 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 labour exploitation.

One of the ways we have been doing this is through joint protocols with industries where we do not have a regulatory role but consider there is a high risk to workers. Protocols plug a gap where we do not 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 these sectors a real opportunity to drive out exploitation from their operations, through sharing information, sharing best practice, and collaborating on audit standards and ethical frameworks.

There are now well over 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 over 250 investigations in 2020-21, the majority (197) of which were GLAA-led enquiries.

Covid-19 has had an impact in the progression of our prosecution cases through the criminal justice system, causing delay. This poses a challenge in keeping the victims engaged in a long process, but one where their testimony will be key.

It is through this mixed model of licensing, compliance, prevention, and enforcement that the GLAA pursues its goal of protecting vulnerable and exploited workers. Looking forward, the GLAA welcomes the government's commitment to create a SEB, the response to the consultation 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, combined into a stronger and more effective single body. This is a significant undertaking and the new body must be greater than the sum of its individual parts.

The GLAA has continued to operate as fully as possible during the pandemic. Our teams have remained operational during this time, remaining focused 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, which began in January 2021,

will undoubtedly cause offenders to shift their approach to exploiting workers in the domestic labour market. We

will remain vigilant in relation to any new threats that may emerge.

Four GLAA Board members, Simon Allbutt, Bill Butler, Linda Dickens, and Paul Williams were due to retire in March 2021. In line with the GLAA Regulations 2015, they have remained in post pending the appointment of their successors. We are indebted to all Board members and all GLAA colleagues for their commitment and dedication to the GLAA mission to work in partnership to protect vulnerable and exploited workers.



**Elysia McCaffrey**  
*Chief Executive Officer*



# Chief Executive's Report

This year the GLAA, like many bodies, has had to make rapid changes to how it deploys to respond to the Covid-19 pandemic. Despite these challenges, we have continued to work in the field in support of our mission. Management and Board meetings have all taken place virtually, as have GLAA stakeholder liaison meetings, increasing their reach.

This annual report sets out what the GLAA has delivered, including the demonstration of protection and remedy for exploited workers, achieved through the continuing commitment of GLAA officers.

The following sections of my report explores what the GLAA has achieved in relation to its three priorities: Protect, Prevent and Pursue. It goes on to explain our partnership working, which underpins all three priorities, including international activity. It explains how we deliver through making best use of our people, giving priority to social and environmental matters, operating with high integrity, and looking forward to delivering our services even more effectively.

This year has continued to be challenging as the Covid-19 pandemic has rolled into 2020-21. 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.

## 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. Whilst the extent of exploitation identified in inspections of our licence holders often may not reach the threshold of forced and compulsory labour, or qualify for the NRM, significant reparations for affected workers, such as in withheld wages or holiday pay, can be achieved.

Our target measure for identifying victims was set at 8,135. Whilst we did not achieve the target by a small margin, our enforcement and compliance officers identified and supported 7,728 (5,595 through compliance activity) potential victims. Whilst many of our partners were impacted by the pandemic, which limited some of their operations, our officers were able to continue to support victims. The shortfall against the target was due to a decrease of victims identified through compliance inspections. This was impacted by the pandemic and the reduced amount of compliance inspections we could carry out as businesses locked down. In addition to the valuable role that operational colleagues provide as first responders in contact with potential victims, we have been engaging with community groups, for example, in Leicester. This is essential to increase workers' confidence in contacting us whilst raising awareness of which behaviours constitute exploitation and breach their fundamental rights.

## Prevention

We have continued to develop our partnership and reach in construction and textile industries. The number of construction protocol signatories has continued to grow and reached 249 in the reporting period. Work has been carried out to assess the impact the GLAA has had on the industry through the work of the protocol, and it was reported last year that we achieved a benchmark of 65 per cent of respondents identifying that working with the protocol had led to changes in their due diligence practices to prevent labour exploitation.

The Apparel and General Merchandising Protocol was overtaken by Tacit<sup>8</sup> in October 2020. In the light of operation Tacit, which is discussed later, stakeholders are now engaged in a bigger, more comprehensive structure working together to develop a more formalised agreement. The work undertaken through operation Tacit has supported how this may operate going forward.

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) both on how to drive out the risk of exploitation, but also how to identify signs of exploitation and how to report it. Our partnerships here also ensure a two-way dialogue.

In the pandemic, we adapted how we engage with stakeholders to ensure our partnerships can continue,

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<sup>8</sup> Operation Tacit was a high-level operation led by the GLAA into allegations of slavery in the garment industry in Leicester.

and we can get our prevention messages into the right places to protect vulnerable workers and assist business in ensuring prevention of labour exploitation remains high on the agenda, and they have the skills and tools to engage. Whilst we delivered fewer events than the previous year (71 in 2020-21 and 117 in 2019-20) we achieved a 47 per cent increase on the people we reached (6,069 in 20-21 and 4,121 in 2019-20).

Adapting quickly to hosting engaging online events has proved effective and efficient in broadening our reach. Below are some of those key activities for the reporting period:

### **Live Q and A on Twitter**

We ran our first live 1-hour Q&A session on Twitter. Around 40 questions from stakeholders and members of the public, covering all aspects of the organisation and how we tackle labour exploitation, were put to Director Dan Scully, Head of Prevention Frank Hanson, and Head of Regulation Nicola Ray. This successful event earned praise from the Independent Anti-Slavery Commissioner for our innovative engagement approach.

### **Modern slavery resource pack**

The GLAA was a key partner in developing innovative workshops to help frontline workers across England and Wales respond to cases of modern slavery. The project, funded through the Modern Slavery Policy and Evidence Centre (PEC), was led by the Wilberforce Institute at the University of Hull, who also worked in close collaboration

with the Rights Lab at the University of Nottingham, the Humber Modern Slavery Partnership and Fresca Group.

## **The Level 1 Award in Workers' Rights and Labour Exploitation**

The GLAA launched a new qualification providing students with the skills and knowledge to protect themselves from labour abuse. Those who complete the qualification, and gain a pass, will receive a certificate bearing the GLAA's logo. Developed in partnership with the Skills and Education Group, this new qualification will be piloted using funding from the Home Office and then evaluated by the University of Nottingham's Rights Lab ready for a national launch in September 2021.

Licensing is a core element of prevention, by seeking to ensure that we maintain a level playing field for compliant businesses that protect their workers from abuse. We identified 77 potential breaches of our standards in 20-21, and in 17 cases revoked the licences (19-20 297 breaches and 23 revocations).

## **Pursue**

As recognition that 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. Nonetheless, we have seen an increase in the number of investigations led by the GLAA from 65 per cent to 78 per cent, with 34 per cent of all cases investigated being multi-agency partnerships. Partnership working is

a reduction on the previous year (47 per cent in 2019-20) and was driven by the impact of Covid-19 on partners' abilities to operate during the pandemic, however operation Tacit has ensured that this was not a more significant reduction. At the national level, working with police and National Crime Agency 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).

In September 2020, the GLAA took part in an EU wide labour exploitation intensifications programme. In the UK, this operation is known as Operation Aidant. During this week of action, the GLAA identified 490 potential victims<sup>9</sup> (this number includes victims identified through Op Tacit), (52 victims identified during Aidant in 2019-20) of which 44 were potential victims of trafficking, 107 were potential victims of modern slavery, and 136 were potential victims of gangmaster licensing offences (none recorded for 2019-20). The remainder were for other potential victims of national minimum wage offences and/or other labour abuse. We also identified a further 283 workers (none recorded for 2019-20) who were suspected to be the subject of breached GLAA licensing standards.

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9 At the point of encountering a person who may be exploited, we refer to them as a 'potential victim' as we do not have enough information at that stage on the investigation. This is also in line with the National Referral Mechanism (NRM), where people entering the NRM are referred to as potential victims until they receive a positive conclusive grounds decision.

## Partnership

### Operation Tacit

Since August 2020, the GLAA has led on Operation Tacit, a multi-agency operation initiated in response to the allegations of modern slavery within the Leicester garment industry at a time of very high transmission rates of Covid-19. As a multiagency team, Tacit has used engagement visits, supported prevention activity, built key relationships, investigated operators, executed search warrants, and deployed multi-agency enforcement teams into over 200 factories<sup>10</sup>. The heart of this operation was to secure the welfare of any workers that have suffered any forms of labour exploitation, and the GLAA has identified 468 potential victims where there were issues with exploitative practises, such as not receiving the national minimum wage.

Colleagues in the department for Business Energy and Industrial Strategy (BEIS) have commenced a review of the five workstreams originally commissioned, of which Tacit was one, including a focus on operation Tacit and how it should inform the build of the SEB.

Operation Tacit will continue into 2021-22 and lessons learnt are being collated by BEIS.

Within two weeks of the workstreams being commissioned, the taskforce was operating in Leicester, pulling together the intelligence picture across the agencies (HMRC, HSE and Leicester City Council),

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10 Up to March 2021

investigating allegations and building the partnerships that would prove vital. There have been 224 factory visits. Through these visits there have been numerous issues identified which were acted upon by the relevant agencies in the taskforce. The issues included:

- Health and safety issues, unsafe working practices and issues surrounding Covid-19, social distancing, and other measures to keep workers safe
- Non-payment of national minimum wage and holiday pay
- Illegal working
- Counterfeit clothing
- Other issues of minor labour abuse

Investigations continue and have included joint working with Trading Standards on a search warrant to tackle counterfeit clothing. Tacit secured two warrants to gain access to premises where voluntary access was not agreed.

Business engagement was a key priority for the taskforce. The power of those at the end of the supply chain (retailers) to drive change in their supply chains is enormous, and we continue to optimise this engagement through the networks developed through the new agreement, which is superseding the previous protocol.

## **Facebook and Crimestoppers**

It was identified that gangs were using social networking sites to target young Romanian male workers with fake



job adverts for construction work in London. To address this, the GLAA and Crimestoppers ran a Facebook campaign with adverts appealing to those looking for work. The adverts clicked through to the Crimestoppers page, which had information about what to look out for when searching for jobs in the UK construction sector. The campaign targeted Romanian men aged between 18-34 and reached over 900,000 people. Following this initiative, 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 men.

## **Engagement with faith leaders**

The Head of Prevention and Partnerships held a webinar training session for faith leaders on modern slavery and labour exploitation during the Covid-19 crisis. This work has been embedded into Leicester City Council's community engagement strategy as part of Operation Tacit.

## **The Clewer initiative**

The GLAA partnered in the development of the Farm Work Welfare App. This is a new tool to help support rural employers in promoting 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 (Church of England) and developed in partnership with the GLAA, the NCA, the Fresca Group, the Modern Slavery Helpline/Unseen, and the Church Commissioners for England.

## **Free modern slavery resources developed in partnership for front line workers**

The Modern Slavery and Human Rights Policy and Evidence Centre (Modern Slavery PEC) in collaboration with the GLAA, the Rights Lab at the University of Nottingham, the Humber modern slavery partnership and Fresca Group, designed and delivered a set of innovative tools<sup>11</sup> to help front line practitioners across the UK respond to cases of modern slavery. Five separate workshops have been developed for front-line practitioners such as the police, safeguarding teams, housing teams, fire and rescue, and health services, as well as for NGOs and community organisations, businesses, and recruitment agencies. One workshop is designed for all local stakeholders. The workshops provide realistic scenarios to help legitimate businesses and workers who come across people affected by exploitation to know exactly what to do to protect and support them.

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11 [Modern Slavery PEC | Innovative workshops to help frontline workers...](#)

## Industry profiles

The GLAA continues to support partners through the development of our industry profiles.<sup>12</sup> They provide information for each of the key high-risk industries and explore a variety of factors, including how victims are recruited, their location, how they are transported to the UK, and their accommodation. The profiles also provide information on how to prevent and identify labour exploitation, and what information to consider when reporting intelligence. This can be demonstrated by the increased number of page views on the GLAA website, from 342,953 in 2019-20 to 526,754 in 2020-21.

## International

Despite the limitations of the Covid-19 restrictions, the GLAA continued to play an active part in working to tackle forced labour globally. During the period of the report, the GLAA continued to maintain its international contact with EU labour inspectorates, and seek information where appropriate, to assist its decisions on the compliance of overseas licence holders, and applicants, with the country of origins labour laws. As part of this activity, the GLAA continued to align its activities and intensification efforts with the annual Europol forced labour week of action (run in the UK under the operational name Aidant).

In October, the GLAA contributed to the Council of Europe's Group of Experts on Action against Trafficking in Human Beings (GRETA) scheduled review of the UK's

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<sup>12</sup> <https://www.gla.gov.uk/who-we-are/modern-slavery/industry-profiles/>

efforts to tackle human trafficking and forced labour, which followed the UK's formal response to GRETA in June 2020.

The GLAA works with the UK's Foreign, Commonwealth and Development Office (FCDO), as well as key international governmental organisations, focusing on capacity and capability development to tackle forced labour. In September 2020, the GLAA provided expert input to the International Labour Organisation's (ILO) fair recruitment course with 150 attendees from 38 countries across the globe.

In February 2021, in support of a joint FCDO and UN Office of Drugs and Crime initiative, the GLAA contributed to their Algerian project to raise awareness of approaches to tackle labour exploitation for Government officials, police, and labour inspectors. On the same day, the Head of Prevention and Partnerships presented the work of the GLAA to over 150 attendees at a Swedish National Audit Office conference, which supported the launch of their report examining initiatives to combat labour exploitation.

As part of the GLAA's continuing collaboration with the UN's International Organisation for Migration (IOM), the GLAA became a founding member of the IOM's global policy network, with the network's Regulation and Enforcement working group.

## Our people

Following a management restructure, there has been focused effort to create stability and strong leadership

for the organisation. In August 2020, the Head of People and Change was appointed, with an immediate focus on legacy HR issues. The People Survey Working Group has been revitalised and relaunched as the Employee Representation Team (ERT), which has been working closely with the leadership team to address issues and provide support to key projects.

The ERT has been heavily involved in the development of the new Performance and Development Review (PDR) and bonus process. We continue to have constructive engagement with PCS, the recognised trade union on HR policies and practice

There has been a significant amount of work done to improve the wellbeing of the people who work in the organisation, with a strong focus on mental health support. The GLAA has 17 trained mental health first aiders from across the organisation. During the Covid-19 pandemic, there has been an increased amount of communications to signpost and support colleagues, as we acknowledge how challenging isolation can be. This has included videos from colleagues who have shared their experiences of mental health challenges and were comfortable to discuss how they were able to cope. This was received positively by colleagues. This positive work will continue and be taken further in 2021-22. Coming out of the pandemic, we are working closely with colleagues across the organisation to return to the office, where people feel safe and supported.

## 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 considers 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.

## Environmental sustainability

The Home Office reports on the GLAA as one of its arms-length bodies as part of its environmental and sustainability reporting<sup>13</sup>. This is reported under two main strands. They are:

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

During the Covid-19 pandemic, all staff were quickly moved to work from home. To ensure communication and contact could remain, we used online collaboration tools to successfully continue our business. This technology has been utilised effectively since March 2020, and

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

we have already seen a positive impact on costs and time saved.

## **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**

The proposed SEB remains a key focus for us, and whilst the shape of this new organisation remains unclear, we are committed to being fully engaged with its development.

Our 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 will be looking at what lessons and opportunities we can take from operating under the restrictions, and what the GLAA's 'new normal' looks like for colleagues. We anticipate the environment in which we are operating will shift and we are preparing 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.



**Elysia McCaffrey**  
*Accounting Officer*



# Performance Analysis

## How we delivered against our strategic objectives in 2020-21

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 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 2020-21 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 ensure it achieves its overarching aim within the resources it has or can call on through partnerships. The GLAA, through both performance and risk management, seeks to ensure it meets its objectives and can take early action.

The GLAA Board receive regular performance reporting and analysis of variance, as do our sponsor partners in the Home Office.

## Performance overview

The GLAA set out a range of deliverables and targets against each key objective, and has assessed if these were either fully, partially, or not achieved.

Progress under the six objectives was 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				Per cent fully and partially met
		Total	Fully achieved	Partially achieved	Not achieved	
1	Partially achieved	9	4	2	3	67
2	Partially achieved	9	4	2	3	67
3	Partially achieved	8	5	2	1	88
4	Partially achieved	9	5	0	4	56
5	Partially achieved	16	5	7	4	75
6	Partially achieved	12	7	1	4	67
<b>Total</b>		<b>63</b>	<b>30</b>	<b>14</b>	<b>19</b>	<b>70</b>
<b>Percentage</b>		<b>100</b>	<b>48</b>	<b>22</b>	<b>30</b>	<b>70</b>

Overall, the GLAA fully achieved 48 per cent of its deliverables and targets set under its objectives, and partially achieved 22 per cent. The GLAA deliverables and targets were deliberately set to be challenging. The GLAA also continues to work on refining how it presents its performance, so it captures more fully its achievements including prevention activity.

In the GLAA 20-21 business plan, each objective has a set of deliverables for the year. The below section covers each objective. It first provides an overview and then detailed analysis on its achievements.

## **Covid-19 expenditure**

GLAA spent £2,602 on home working equipment to support formerly office-based colleagues with home working, this was funded from existing budget allocations.

## **Impact of EU exit**

During the period of the report, the GLAA continued to maintain its international contact with EU labour inspectorates to support regulation activity. GLAA continued to align its activities and intensification efforts with the annual Europol forced labour week of action (operation Aidant). In October, the GLAA contributed to the Council of Europe's Group of Experts on Action against Trafficking in Human Beings (GRETA). GLAA had no additional expenditure associated with EU exit.

# Objective one

## Identify and support victims of labour exploitation

### Key deliverables

- Strengthened relationships with wider victim services and law enforcement to ensure that victims are provided with a high standard of service, building the confidence of victims to engage with the GLAA, by maintaining national contact with Unseen, the Salvation Army, and other victim charities, and ensuring that our frontline officers build a network with their local victim support services.

**Fully achieved** – The GLAA engaged in the review of the National Referral Mechanism (NRM). Maintained working agreements and relationship with the Salvation Army (the contracted support provider for the NRM). Relationships with Unseen remain strong; the GLAA engaged in a number of working groups for the national Modern Slavery Helpline (operated by Unseen). Senior Investigating Officers and their teams have also developed relationships locally with charities supporting victims and those with special interests, including Labour Behind the Label.

- 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.

**Fully achieved** – Strong relationships have been formed with Bright Futures – a third sector partner which find paid work placements for vulnerable and exploited workers. The GLAA is represented at the Bright Future Board, and to date we have successfully placed two victims into work through this employment scheme. Business partners identified, particularly in GLAA regulated sectors, have offered work experience/placements for previously exploited people.

Through Operation Tacit and the response to modern slavery allegations in the garment sector in Leicester, the GLAA has worked with NGOs, other third sector partners, local authorities, and brands to develop new approaches to removing victims from exploitative situations and providing access to remedy.

- Increased understanding of what victims require and improving what we do to deliver an effective victim centered approach. To do so by considering a debriefing approach to victims as part of NRM referral. This will assist the development of analysis of why victims may not want to be supported to enter the NRM, to enable the GLAA to enhance the support to victims, and their confidence in that support.

**Partially achieved** – There has been some progress on this, specifically on understanding the needs of homeless victims. There is more to do and the GLAA remain concerned about the support for those who have been exploited but don't meet the threshold for NRM. Since the last reporting period in 2019-20, there has been a reduction in NRM referrals (10 in 2020-21 and 33 in 2019-20) but an increase in the number of duty to notify submissions (92 in 2020-21 and 34 in 2019-20). Work is ongoing to increase our understanding of the implications of the NRM and the trends we have seen.

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

**Fully achieved** – The GLAA social media reach has continued to grow as we use these online platforms to raise awareness of labour exploitation, workers' rights, and encourage victims to report concerns. We have also used social media as a preventative tool to reach potential victims of labour exploitation – working in partnership with Crimestoppers, we developed a Facebook campaign aimed at reaching Romanian nationals looking for work in the UK. Our intelligence tells us the Facebook platform is used by exploiters to recruit Romanians and the GLAA created a 'job ad' which, when clicked on, took users to a landing page giving information about workers' rights, spotting the signs of exploitation, and how to avoid becoming a victim. This method was hugely successful. It reached 1,975,621 people, achieving 31,152 link clicks and 34,480 engagements. It also saw a 21.9 per cent increase in reports on this crime type over the campaign period with five reports relating to construction specifically, three of which involving Romanian victims. We plan to replicate this campaign in the future.



- Develop increased identification of victims through supporting networks of existing frontline groups (such as NHS, local authorities, DWP etc.) in spotting the signs and providing relevant intelligence.

**Partially achieved** – Training and resources have been shared with partner agencies around spotting the signs. Examples of supporting frontline groups include Op Tacit, where we have strengthened the sharing of information between partners agencies involved in the Leicester garment sector and engaging with various existing Modern Slavery partnerships across the UK.

## Objective one targets

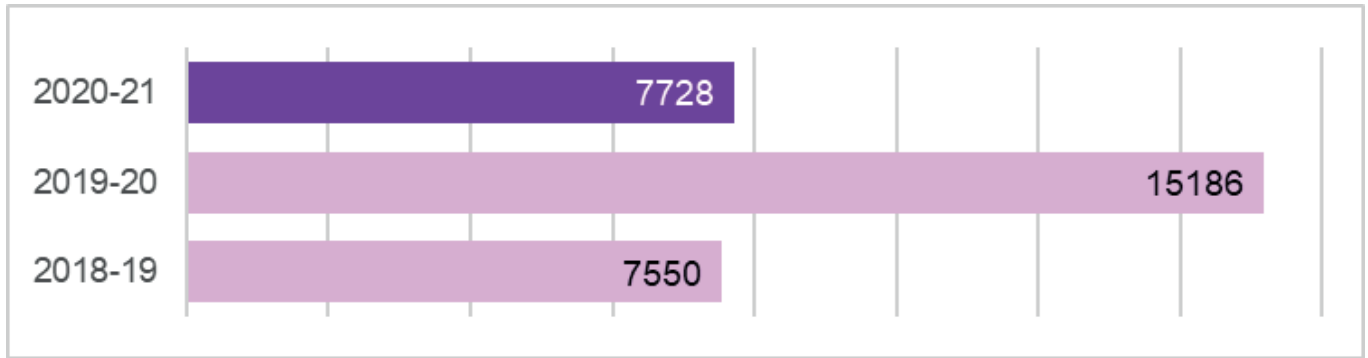
For objective one, there were four identified targets to measure our success against identifying and supporting victims. The aim of this measure was to work towards prioritising victims as part of our investigations. Three out of the four targets have not been achieved and one has been fully achieved. Overall, it is assessed that performance for objective one is partially achieved, as explained in more detail below.

Target	Outturn	Assessment
To increase by 10 per cent potential victims identified (directly/indirectly)	5 per cent (7,728)	Not achieved
To increase the percentage of investigations that identified NRM or MS1 referrals (12 per cent in 2019-20)	8 per cent (16 out of 202 cases tasked)	Not achieved
To increase by 30 per cent the number of Tier 1 resolutions against 2018-19 baseline (target 94)	26 per cent (91)	Not achieved
To increase by 30 per cent the overall number of workers affected by Tier 1 resolution against 2018-19 baseline (target aim was 143)	167 per cent (1,834)	Achieved

## Target: To increase by 10 per cent potential victims identified (directly/indirectly)

The first target was to increase the total number of victims identified by 10 per cent compared to the 2018-19<sup>14</sup> baseline. The 2018-19 baseline was 8,135 victims, and the end of year figure was 5 per cent below target at 7,728. As such, the target was not achieved.

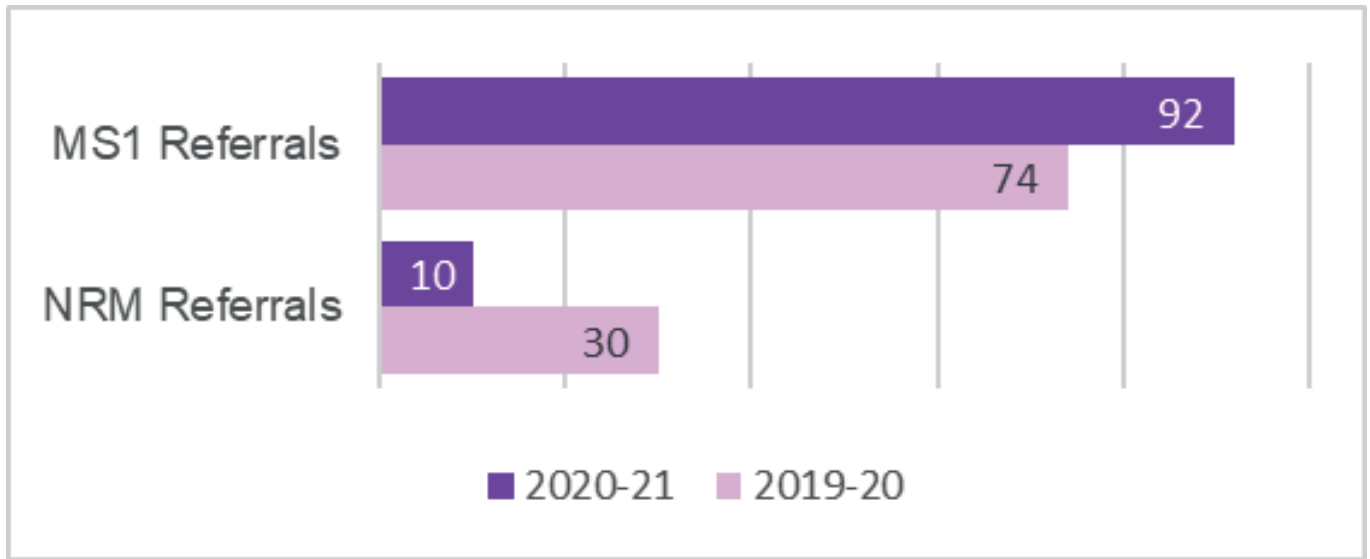
<sup>14</sup> The baseline used to set the 2020-21 target is based on performance from 18-19, from the identification of victims from enforcement action plus the number from identified licence breaches plus 10 per cent. The 2018-19 figures have been used for this target due to the exceptional number of victims identified from compliance inspections (13,005) and specifically one compliance case in 2019-20 where 7,500 potential victims were identified alone.



Whilst the GLAA remained operational during the Covid-19 pandemic, there were changes made to the way we worked to ensure compliance in the field. Most notably, there has been a reduction in the number of compliance inspections carried out, which is where most compliance related victim identification occurs (83 CIs in 2020-21 and 94 in 2019-20). As such, we saw fewer victims identified through our compliance work than in previous years. The reduction in compliance work has been attributed to this.

Most victims are found through compliance activity in the food processing and packaging sector, and the abuse relates to holiday pay. This pattern is also seen in enforcement activity. Outside of the regulated sector, car washes are where most victims are identified.

**Target: To increase the percentage of investigations that identified NRM or MS1 referrals (12 per cent in 2019-20):**



The second target for this objective was to show an increase on 2019-20 performance (12 per cent) in the proportion of investigations that result in a referral to the National Referral Mechanism (NRM) or a Duty To Notify (DTN) form – also referred to as an MS1. This year we have seen a significant increase in the volume of duty to notify forms which is contrasted by a reduction in NRM referrals. Overall, we had an outturn of 8 per cent, and as such did not achieve this target.<sup>15</sup>

This reduced level of enforcement cases resulting in an NRM or duty to notify suggests the GLAA identified a lower level of victim exploitation.

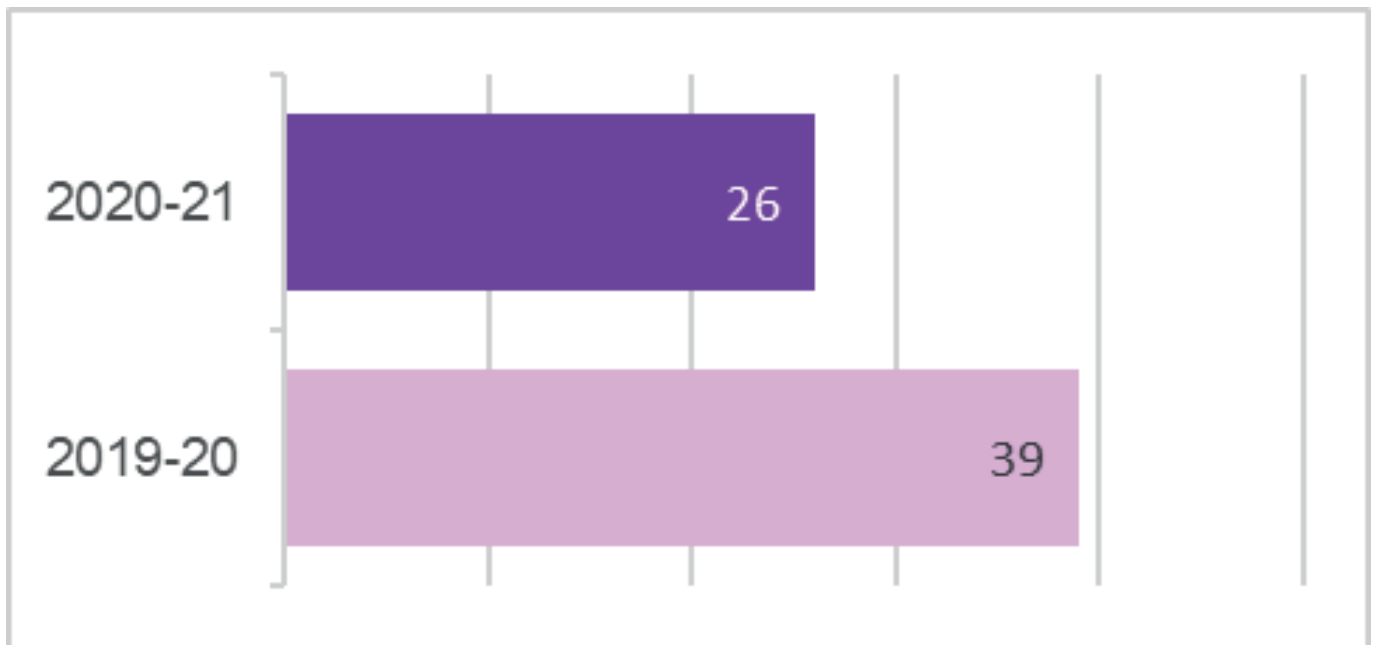
GLAA officers dealing with victims report the coverage of support services is inconsistent and delays in provision of support are common. Engagement with the Home

<sup>15</sup> There are a number of reasons why a victim may not be eligible for entry in NRM or may decline it.

Office on the issue of limited NRM referrals is in hand to understand victims reluctance to engage with that support. The GLAA is also planning a ‘deep dive’ on victims during 2021-22 to identify any issues around victim support. Provision of support for those who do not qualify for NRM or choose not to enter the NRM remains a concern.

### **Target: To increase by 30 per cent the number of tier one resolutions:**

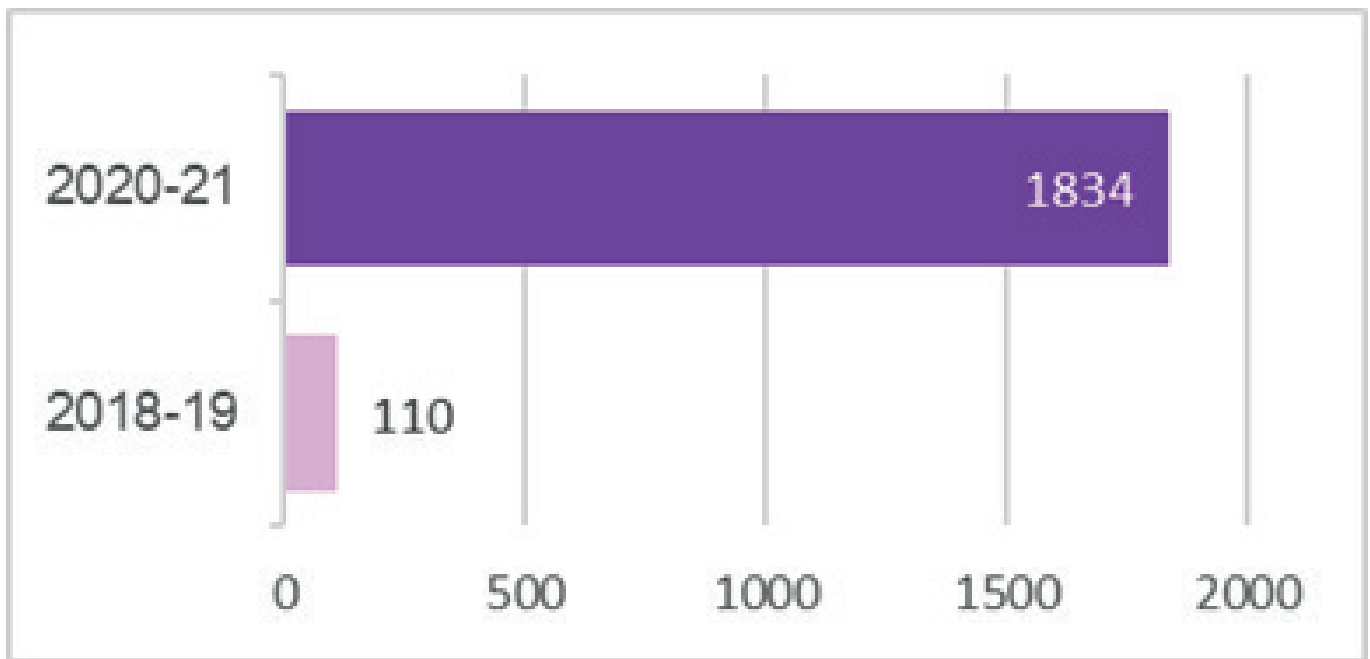
The third target for objective one relates to increasing the number of tier one resolutions by 30 per cent. Tier one resolutions relate to recovery of wages for workers in the regulated sector (gangmaster). The outturn for this reporting period was 26, which is a third fewer than the baseline of 39. As such, this target was not achieved.



With regards to the monies recovered for these workers, there was a total of £14,865.26 (£166,605.30 2019-20). The largest single volume was £2,200 which was recovered in the food processing sector in North

Yorkshire. This case relates to an individual taking payment from workers using an agency and providing unsuitable accommodation. These workers were without food and were being paid £30-40 per week, with the rest being withheld.

**Target: To increase by 30 per cent the overall number of workers affected:**



The last target for objective one relates to increasing the overall number of workers affected by 30 per cent. The outturn for this reporting period was 1,834 which is significantly higher than the 2018-19 baseline<sup>16</sup> (110). June and March saw large spikes in workers assisted, with 592 and 771 workers respectively. Monies recovered were £7,088.90 in unpaid holiday pay, £1,281.40 in withheld wages and £4,205.38 in other due payments. March was the busiest month, with 200 victims having

<sup>16</sup> The 18/19 outturn was used as a baseline as operational constraints meant that Tier 1 resolutions were only carried out for part of the year in 19/20 so we have extrapolated them out for a full year.

money recovered for them in the agricultural sector in activity in Peterborough, 146 in warehousing in Yorkshire, and 130 in separate intervention activity. This target has been achieved.

## Objective two

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

#### Key deliverables

- Develop a Compliance Strategy by March 2021 which reflects good regulatory practice.

**Fully achieved** – The GLAA undertook a six-week consultation with stakeholders. This included workshops, which enabled us to obtain a comprehensive response to draft changes. Following consultation, a formal response was drafted and sent to the Board. This will be implemented in the second half of 2021-22.

- Develop a new model for application, inspection, and renewal fees by March 2021.

**Partially achieved** – The focus on a comprehensive consultation on our Compliance Strategy precluded the commencement of this work. Some preparatory work has been completed including establishing baselines, initial assessments of the feasibility of activity-based costing and desk-based fees scenarios.



- Deliver any changes necessary to the licensing scheme arising from government policy changes impacting the labour market, including recommendations from the Director of Labour Market Enforcement and potential improvements that may be suggested from customer feedback.

**Fully achieved** – Work undertaken to address recommendations one and two of the ODLME report (2018-19) were delivered through the GLAA Compliance Strategy consultation. Recommendations four, five and eight were addressed through ongoing awareness raising activities, specifically the Labour Provider/Labour User Liaison Group and published Briefs.

- Review our approach to compliance activities and make recommendation for change by Q3.

**Fully achieved** – Taking account of comments received as part of the formal Compliance strategy consultation process, we have reviewed our approach to compliance activities and have made recommendations for change

- Develop a new licensing system which meets the needs of users by March 2021.

**Partially achieved** – Business requirements were scoped out. A supplier was identified, and the project was established to deliver a new licensing system – GLASS. This new licensing system went live in May 2021.

- Provide information and guidance to our regulated sector so that they are clear on changes which may impact on the licensing scheme and can maintain compliance.

**Fully achieved** – Information and guidance was delivered to our regulated sector through the dissemination of GLAA Briefs <sup>17</sup>. Six Briefs were published on the GLAA website and emailed to GLAA licence holders. We moved our Labour Provide/Labour User Liaison Group onto a digital platform. This enabled us to engage with a broader range of Labour Providers across the UK and as a result increased the attendance.

## Objective two targets

For objective two, there were three targets identified to measure our success in regulating a credible licensing scheme. The first two targets have the aim of reducing the time taken to complete application and compliance inspections to maintain businesses compliance with licences. The third target is aimed at measuring the time taken to make licensing decisions on revocations, adding additional licensing conditions or granting a licence. All three targets were not achieved for objective two.

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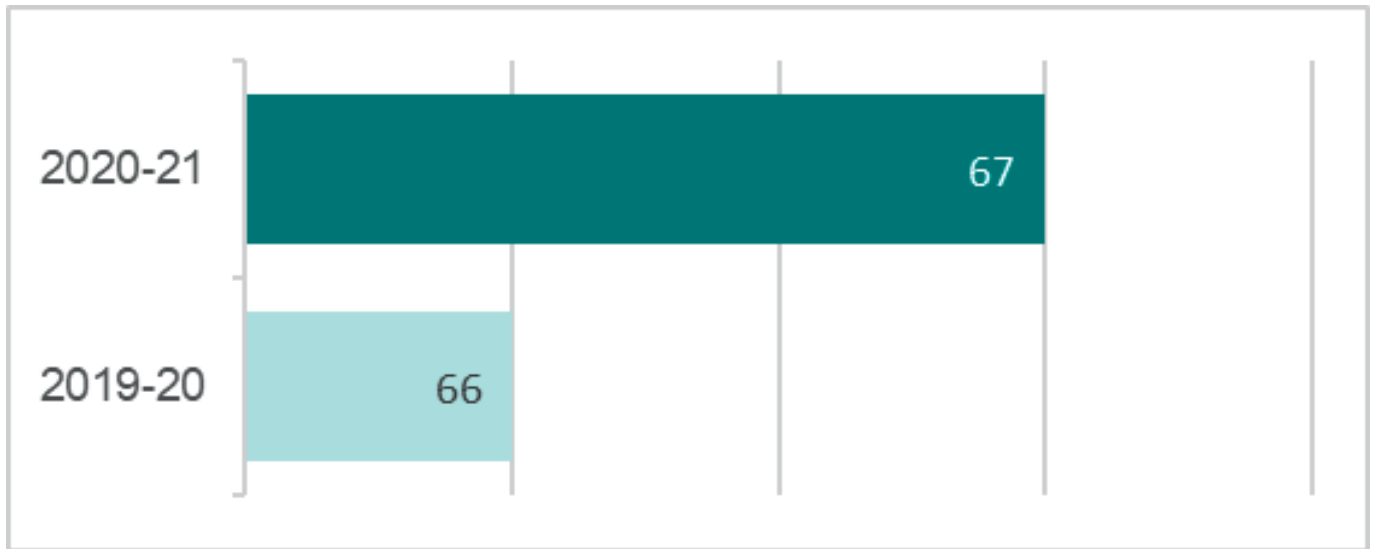
17 [Briefs and Licensing news – Labour providers – GLAA](#)

Target	Outturn	Assessment
Reduce the average to 65 days 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	67	Not achieved
Reduce to 90 per cent in 155 days based on days taken to complete compliance investigations, broken into sections, from date raised to report submitted to licensing for a decision	51.6 per cent was completed in 155 days. Average time taken was 171 days	Not achieved
To improve the number of days taken to make a licensing decision once all the information is available – Revocation 5 days; ALCs 2 days; and granting a licence 1 day	Revocation – 7 ALCs – 10 Granting a licence – 5	Not achieved

During 2020-21, a review was undertaken to assess any impact Covid-19 had had on our performance. It was during this review that it was identified that there was an error made which had impacted on how the performance was reported and targets set in one area – our regulation work.

As such, it was agreed with the Board that the targets should be adjusted to reflect a 5 per cent reduction in working days (from previous years outturn, based on consistent methodology) for both Application Inspections

(AI) and Compliance Inspections (CIs), and the targets were altered to reflect that. AIs target increased to be 65 working days rather than 50 (2019-20 outturn was 68 days), and CIs to 155 days rather than 80 (2019-20 outturn was 163 days).

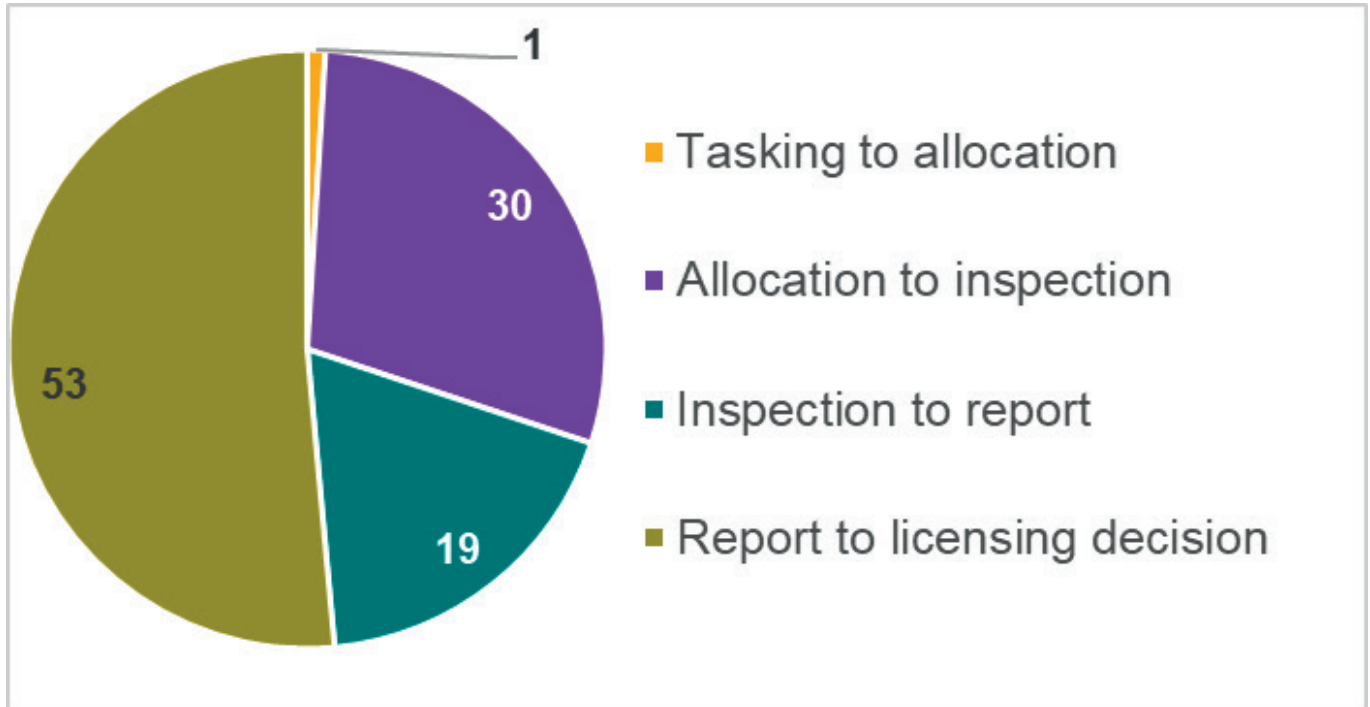


**Target: reduce the average to 65 days based on days taken to complete licensing applications, broken into sections of process from the licence fee being cleared to the licensing decision being made:**

Both targets for AIs and CIs have not been achieved in this reporting period, although median ranges in the data suggest the cause for missing the target is due to outliers<sup>18</sup>. This is reflected in the increase in time taken to make licensing decisions on licence revocations and Additional Licence Conditions (ALCs) as some of the outliers are more complex. There has been a substantial

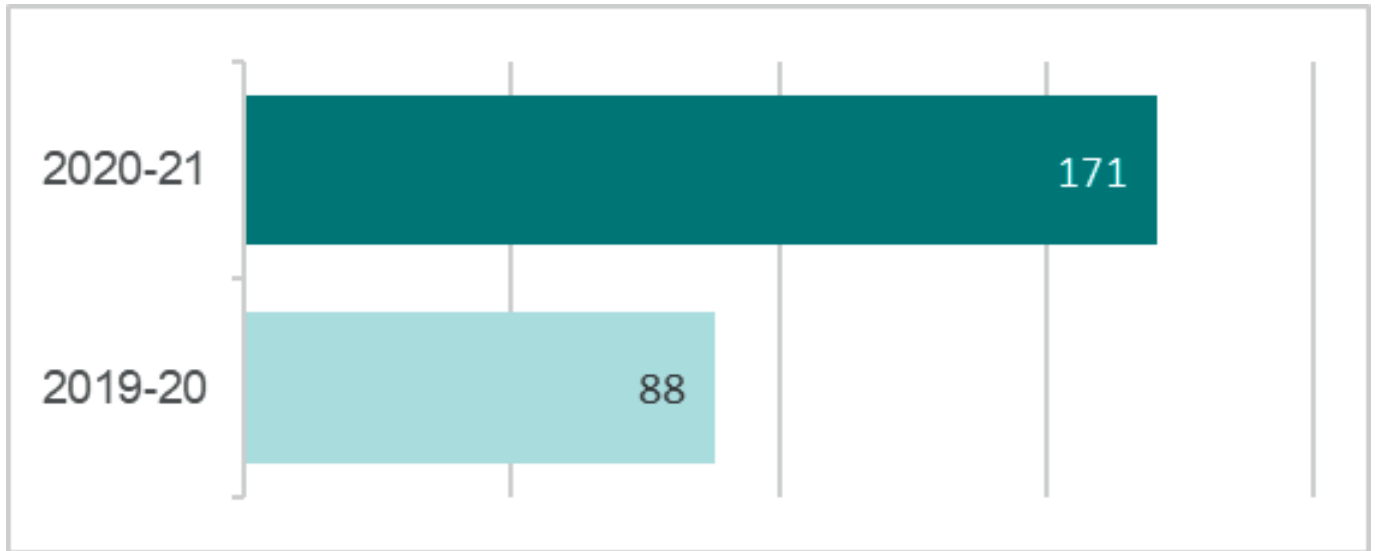
18 For example, six cases took over 200 days to close. This was due to several reasons, including the application inspection being paused for a compliance investigation, or reallocation of work due to long term sickness. These six cases alone have an average of 313 days.

increase in customers requesting a licence this year which, due to Covid-19, the inspections have been carried out remotely. It is not possible to carry out CIs remotely and therefore, fewer have been done.



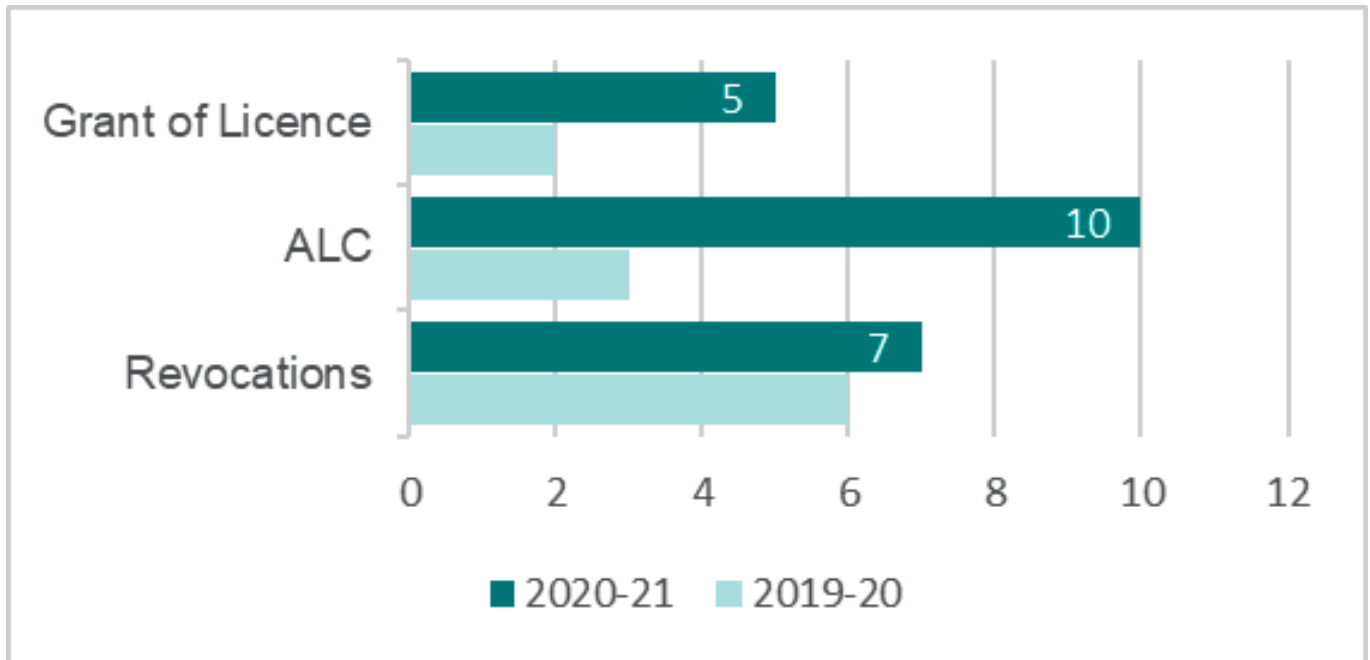
The pie chart shows the average working days for the segments of the process from tasking to licensing decision. Upon reviewing the data, it was identified there was latency in the process, particularly in the time between an inspection and the report getting to the head of compliance and in licence decision making once the report had been submitted. A specific action plan has been developed to address the issues identified and make efficiencies in process.

**Target: reduce to 90 per cent in 155 days based on days taken to complete compliance investigations, broken into sections, from date raised to report submitted to licensing for a decision:**



Similarly, for compliance inspections, this target was not achieved. There were 52.6 per cent of compliance inspections completed within 155 working days, and 20.3 per cent completed within 80 working days. The 2020-21 outturn was 171 average working days from date of tasking to when licensing makes a decision, which is eight days longer than the previous year. Over the year, there have been significant resource issues and an increase in demand for AIs. This has had a knock-on effect with being able to complete CIs and make the licensing decisions on the back of the reports.

**Target: To improve the number of days taken to make a licensing decision once all the information is available – revocation 5 days; ALCs 2 days; and granting a licence 1 day:**



The third target has underperformed across all areas and is linked to limited resources in the licensing team during the commissioning of the GLASS system. Also compounding this issue, was the limited maturity around risk management during this time. Risk management has improved significantly, and it is not expected a project would impact performance as acutely in the future as mitigations will be put in place.

## Objective three

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

#### Key deliverables

- Focus activity with partners in high risk sectors as defined by the GLAA's strategic assessment, to effectively enhance local and regional engagement improving prevention and due diligence.

**Fully achieved** – Activities delivered with partners in high risk sectors included a 10-point checklist for workers in the UK poultry industry (available in four languages); training delivered to 130 Barclays Bank Agriculture business managers; the GLAA also played a leading role in delivering Operation Aidant, which focused on other high risk sectors: areas of food packaging and processing, the shellfish industry, and the textiles and garment sector.



- Seek opportunities to test innovative approaches to engage with our stakeholders, ensuring visibility and maintaining business as usual, even during exceptional emergency contingency situations, including new use of video conferencing, webinars to support continuity for future potential GLAA-led conferences/regional “pop-up” events, to broaden awareness of trends and prevention with all stakeholder groups.

**Fully achieved** – A quarterly partnership bulletin<sup>19</sup> is sent directly to 1,300+ subscribers, circulated across social media and promoted on the GLAA website. A survey of stakeholders showed strong support for this type of regular corporate update from the GLAA. Although the number of stakeholder events was lower than 2019-20 (due to lockdown restrictions), the attendance and diversity of attendees at our virtual events increased significantly, particularly the Labour Provider/Labour User Liaison Group, which transitioned online. A live Q and A session on Twitter was tried and generated over 40 questions covering all aspects of the work of the GLAA.

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19 [Newsletter – Partnership bulletin – Sign up – GLAA](#)

- Work collaboratively with partners to reach workers, building on pilots such as the Crimestoppers/ Facebook initiative, working with financial industry, educational establishments, migrant community groups, faith leaders and their support groups, and academia to support the analysis and evaluation of the effectiveness of approaches undertaken.

**Fully achieved** – The GLAA supported the University of Nottingham Rights Lab successful bid for £48k to undertake research aimed at reducing the risks of exploitation for Romanian seasonal labour migrants after Covid-19. Funding of £55k was also secured from the Home Office to progress two pilot prevention projects:

- A new qualification providing students with the skills and knowledge to protect themselves from labour abuse. The Level One Award in Workers’ Rights and Labour Exploitation has been developed by the GLAA in partnership with the Skills and Education Group, the University of Nottingham’s Rights Lab, and Boston College in Lincolnshire
- The Responsible Car Wash Scheme was established in 2018 and its aim is to create a level playing field for operators so they can compete on an equal footing with their competitors and be a positive force in improving conditions for workers.

- Create a partner forum for the prevention of labour exploitation bringing together the leads from key stakeholder-industry focused prevention (Protocol) groups, and other initiatives (e.g. car wash, nail bar industry stakeholders) to ensure key trends are understood and support industry to prevent new forms of exploitation.

**Partially achieved** – Signatories to the Construction Protocol increased to 249 by 31 March. Successful engagement with this sector was underpinned at the first GLAA construction themed webinar, with almost 100 delegates joining us online. The Hospitality Protocol was paused due to challenges in the sector. The GLAA is continuing to lead the work of Operation Tacit in the Leicester garment industry. This included supporting the ongoing development of a new accord, which will be industry-owned and replace the Apparel and General Merchandise Public Private Protocol. Work is progressing with a very wide group of stakeholders, from the public sector, enforcement bodies, brands retailers, and manufacturers. We have also been supported by civil society, NGOs, trade unions, and other interested groups.

- Develop a cross-Government forum of enforcement bodies operating in the labour market to establish opportunities for joint prevention activity to identify common threats for business.

**Partially achieved** – Effective dialogue and regular meetings between GLAA Head of Communications and peers at Employment Agency Standards (EAS) and National Minimum Wage (NMW) – this approach has built cohesion around the areas of mutual interest, along with exploring opportunities for amplifying respective messaging for each agency. Examples of partnership working include taking part in webinars to promote prevention work around workers’ rights, production of GLAA podcasts with EAS, NMW and other agency contribution aimed at car wash operators and workers. GLAA participated in a series of multi-agency workshops with fellow law enforcement bodies to identify how objectives can be consolidated to tie in with priorities agreed at the joint Organised Immigration Crime (OIC) and Modern Slavery Human Trafficking (MSHT) Strategic Governance Group and developed to identify joint thematic areas.

## Objective three targets

For objective three, there were two aims identified to measure our success in working in partnership to prevent labour exploitation. The first one relates to enhancing our engagement with stakeholders and has two targets set. The second one relates to increasing awareness of modern slavery and exploitation through training

and wider engagement, which also has two targets set. Overall, three out of the four targets have been met and it is assessed that overall, targets for this objective have been partially met.

Target	Outturn	Assessment
To increase number of workers covered by GLAA-stakeholder liaison per year by 10 per cent (from 205 to 225) in supporting GLAA industry protocols	22 per cent (249)	Achieved
To develop the baseline from first full round of surveys with all protocol group signatories	Baseline – 65 per cent	Achieved
To increase by 10 per cent (a) activity levels to 3,220 and (b) impressions to 5,267,952 (Average of 438,996 pcm)	(a) 2,374 (b) 477,539	Not achieved

The first aim has two defined targets:

- To increase the number of workers covered by GLAA stakeholder liaison per year by 10 per cent in supporting GLAA industry protocols
- To develop the baseline from first full round of surveys with all protocol group signatories

**Target: To increase number of workers covered by GLAA–stakeholder liaison per year by 10 per cent in supporting GLAA industry protocols:**

It is difficult to assess the number of workers that are covered by GLAA stakeholder liaison. However, we can look at the number of companies who have signed the

protocols. In 2019 there were 205 signatories to the protocol and in this reporting period it has increased to 249 (22 per cent). As such, this target has been achieved. Through the growth of the protocol, there have been more small and medium-sized enterprises (SMEs) join.

The GLAA has engaged in the development of further protocols in 2020-21:

- The Apparel and General Merchandise Protocol was overtaken in October 2020 and the group are now working on a more formal accord
- The British Retail Consortium and Association of Labour Providers approached the GLAA with the proposal to take forward a proposed Food Supply Chain Protocol for consultation with key stakeholders which if agreed, would replace the existing Suppliers and Retailers Protocol
- The launch of the Hospitality Protocol has been temporarily postponed due to the significant economic challenges facing this sector due to the impact of Covid-19. We are currently in talks with UK Hospitality and the Shiva Foundation to discuss next steps

**Target: To develop the baseline from first full round of surveys with all protocol group signatories:**

For the second target of creating a baseline for surveys of protocols, this was achieved with the only protocol group that we were able to, which was the Construction

Protocol group. In this reporting period, the Construction Protocol group has been engaged in developing meaningful measures to assess the impact of industry working with the GLAA. The initial survey found that 65 per cent of respondents identified that working with the protocol had led to changes in their due diligence practices to prevent labour exploitation. This baseline has been used to set the target for measuring the impacts of protocols in the 2021-22 performance framework. This target was achieved.

### **Target: To increase by 10 per cent:**

**(a) activity levels to 3,220**

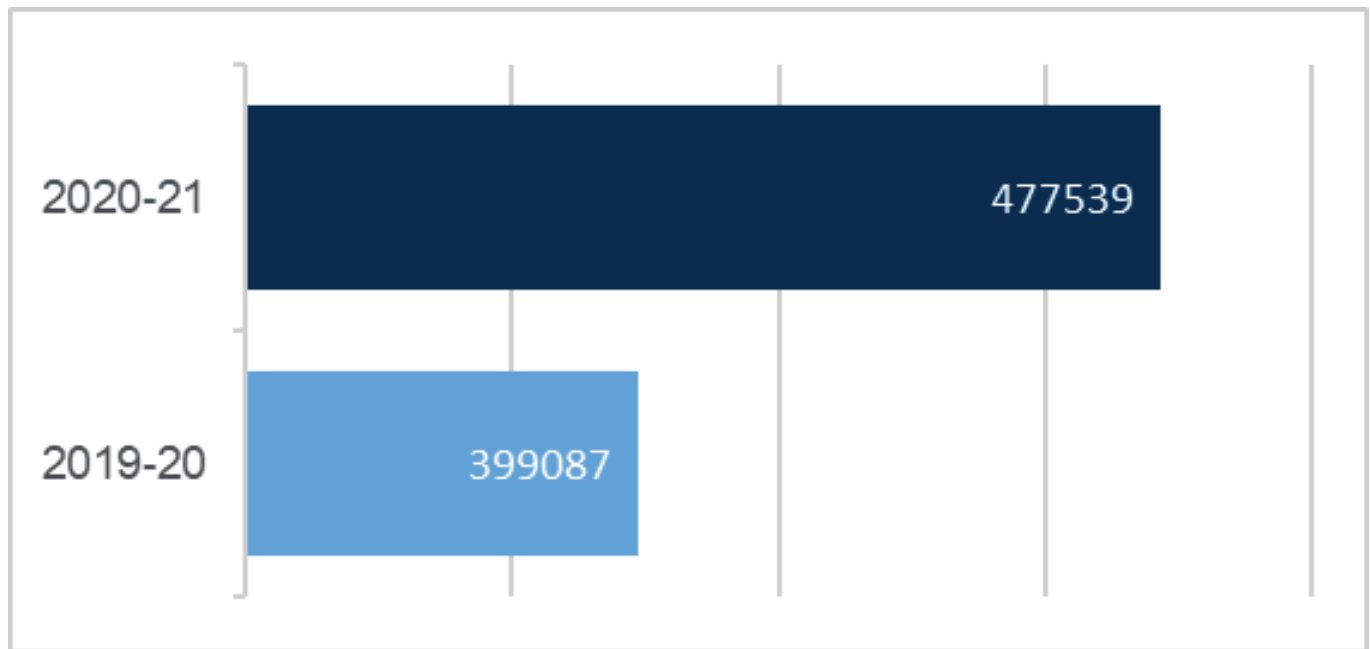
**(b) impressions to 5,267,952**

The second aim also had two defined targets. The first was to increase by 10 per cent (a) activity levels to 3,220 and (b) impressions to 5,267,952 (Average of 438,996 pcm). Activity levels relate to GLAA social media posts and are below the target with an outturn of 2,374. This reduction was due to social media accounts for the CEO and operations lead being dormant in the period.

The below chart illustrates that average monthly impressions<sup>20</sup> have increased by 19.7 per cent to 477,539, which is also 8.4 per cent over target.

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<sup>20</sup> Impressions are counted when our content is displayed on social media.



Engagement through social media remains positive, as does engagement with communities and stakeholders through our prevention work. Most notable are the high audience numbers through the webinar platforms and a high increase in visitors to the GLAA website. This may be linked to seeking guidance during Covid-19, or new businesses moving into the regulated sector looking for advice. This target has been achieved.

**Target: Develop the baseline of enhanced engagement (impact/reaction) of increased social and digital media activity.**

Social media impressions exceeded the monthly average target; however, they fell short of our end of year impression target. The average was driven up by almost 1.1m impressions, led by Facebook at just under 900k, in July 2020. This performance on Facebook impressions in July is more than double the next highest month. Whilst engagement on social media has increased on Facebook and LinkedIn, Twitter has fallen back to similar



levels at the beginning of the year, despite having a high point in October 2020. Our inability to do face-to-face engagement during the pandemic did see increased levels of engagement through webinars, including broader representation of stakeholders. It is also worth noting there has been an increase in the breadth of audience that we have been able to engage with in moving to online events.

This target has been achieved and enhanced engagement features in the 2021-22 business plan and performance framework.

## Objective four

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

#### Key deliverables

- To lead the cross-UK/EU Operation Aidant activity to intensify the effort of UK agencies to tackle and prevent labour exploitation.

**Fully achieved** – The GLAA led Operation Aidant in September 2020 – three weeks of national action tackling and preventing labour exploitation. During this time, the GLAA engaged with a number of statutory and third sector partners. Intelligence-led activity focused predominantly on the shellfish sector, food packaging and food processing, and the garment sector.

- 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.

**Fully achieved** – An annual strategic assessment was developed and published in July 2020. This offered an overview of significant risk, threat and harm issues impacting on the GLAA.

- 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 the GLAA's resources.

**Not achieved** – Work was initiated in February 2021 to review the GLAA's current triage and tasking models. However, the overall analysis was not achieved due to resources constraints. This work will continue in 2021-22 and beyond.

- To continue working with inspectorates and partners, evaluate our use of and compliance with, Labour Market Enforcement Undertakings and Orders, (sharing that analysis with BEIS, Home Office, and the Director of Labour Market Enforcement), and taking appropriate action to escalate or remove such sanctions and continuing to build credibility in their role within the enforcement community.

**Fully achieved** – Although the overall number of partnership operations did reduce in 2020-21 as a result of Covid-19 implications for partners, the GLAA has continued to work closely with enforcement partners. The GLAA contributed to the Home Office-led review of Labour Market Enforcement Undertakings and Orders. During this year, the GLAA also utilised Slavery and Trafficking Risk Orders (STRO) for the first time. Three STROs in total were also attained, which enabled us to manage potential offenders whilst investigations develop.

- Evaluate the effectiveness of the GLAA's current range of powers and orders to prevent labour exploitation, such as the wider PACE and Proceeds of Crime Act powers currently available, and review investigative outcomes, proposing what a SEB would require to enable the development of a consistent enforcement approach throughout the UK.

**Not achieved** – Resource constraints and competing priorities of Operation Tacit precluded the commencement of this work, which will be undertaken in 2021-22.

## Objective four targets

For objective four, there were two aims, with three corresponding targets set, which aimed to maintain focus on partnership working whilst also increasing GLAA-led investigations and making full use of our powers to disrupt offenders. Two out of the four targets have been achieved, and as such, the performance for this objective has been partially met.

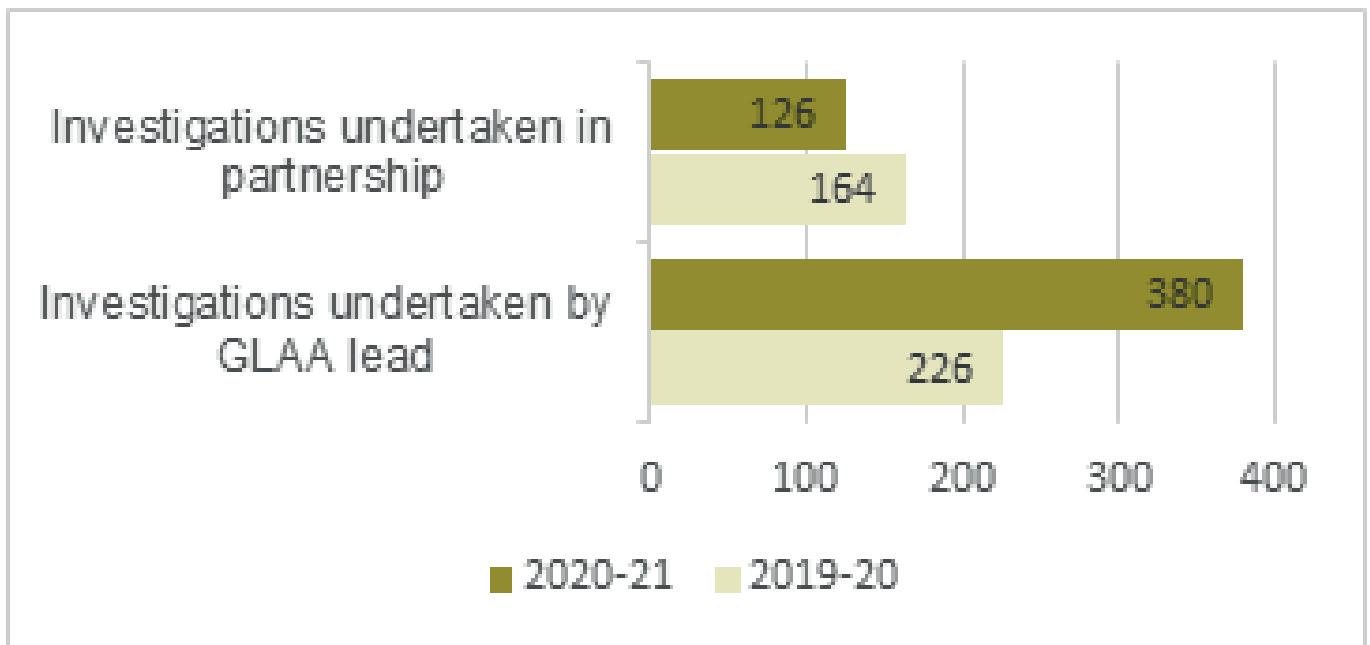
Target	Outturn	Assessment
Maintain baseline of 65 per cent for GLAA-led investigations	78 per cent	Achieved
Maintain approximately 40 per cent (140) of cases in partnership	34 per cent	Not achieved
Improve on GLAA-Led convictions Convictions – 10 LMEU – 18 LMEO – 1 Warnings – 34 Enforcement notices – 47 STRO – 0	Convictions – 0 LMEU – 8 LMEO – 0 Warnings – 14 Enforcement notices – 17 STRO – 3	Not achieved
Develop baseline of completed enforcement investigation cases in 2020-21 that resulted in a prosecution or other sanction GLAA	8 per cent	Achieved

The aim for the first measure was to Increase the number of GLAA-led enforcement investigations whilst maintaining our work in partnership and the associated targets were:

- Maintain baseline of 65 per cent for GLAA-led investigations
- Maintain approximately 40 per cent (140) of cases in partnership

**Target: Maintain baseline of 65 per cent for GLAA-led investigations:**

GLAA operational activity has been undertaken during a difficult year, and whilst the numbers of investigations are lower than last year, the percentage of those led by the GLAA is significantly improved (78 per cent, target was 65 per cent). This target has been achieved.



We partnered most frequently with Lancashire (8 cases). We also worked with 26 other police forces on cases, mainly in the agricultural sector.

**Target: Maintain approximately 40 per cent (140) of cases in partnership**

Partnership activity has been affected by the changes to working practices during the year of some key labour market enforcement partners. However, Operation Tacit is a good example of the multi-agency partnership work carried out in this period. Through the work of Op Tacit,

224 factory visits were carried out, and 468 victims were identified.

The impact Covid-19 had on our partnership working is reflected in the underperformance of the second target, the outturn was 34 per cent compared to the target of 40 per cent. Therefore, this target has not been achieved.

### **Target: Improve on GLAA-led convictions:**

The second aim was to address issues impacting the number of sanctionable outcomes resulting from enforcement investigations. The measures for this was GLAA-led convictions, and to establish a baseline of completed enforcement investigation cases in 2020-21 that resulted in a prosecution or other sanction<sup>21</sup>. Whilst there were no targets set for GLAA-led convictions, an improvement on 2019-20 outturn was expected.

The below table summarises the outturn for GLAA-led convictions:

<b>Outcome</b>	<b>19/20 outturn</b>	<b>20-21 outturn</b>
Convictions	8	0
LMEU	6	8
LMEO	0	0
Warnings	23	14
Enforcement notices	43	17
STRO	0	3

<sup>21</sup> This is a new measure. The baseline will be established in 2020-21. The number of completed cases will not directly correlate to the first target under 4 (increasing the number of investigations in 2020-21) because the 2020-21 performance will include cases closed that were initiated in 2019-20.

With regards to the second set of targets on convictions and notices, these were not achieved.

Whilst GLAA prosecution cases have been impacted with court delays and court backlogs, we continued to make progress. Two cases have had positive charging decisions in this reporting period and are awaiting court, and one is still waiting from 2019-20. A notable investigation was Operation Ropewalk, a modern slavery case in Cumbria where a man had been kept in a shed for 40 years. Two men have been charged and appeared at court for this matter. Other cases impacted show a different story where a case scheduled to have a court trial in May 2020 has been delayed until January 2022. There are a further 11 cases awaiting CPS decision, three from 2018-19, five from 2019-20, and three from 2020-21.

The GLAA has secured its first Slavery and Trafficking Risk Orders (STRO) during the reporting period and three orders have been secured from the courts impacting a single-family trafficking and exploiting workers from abroad into the UK.

The issuing of Labour Market Enforcement Undertakings/Orders (LMEU/O), warnings, and enforcement notices served this financial year are below the amount last year. They have been affected by our risk assessment process through the Covid-19 pandemic. Changes to our working practices aimed at keeping workers and our people safe meant, at times, visits were restricted to those investigations deemed to be high risk. Serving



enforcement notices and warnings did not meet this threshold.

**New Target: To establish the baseline of the percentage of completed enforcement investigations cases in 2020-21 that resulted in a prosecution or other sanction:**

In the reporting period, there have been 535 investigations closed and 42 sanctions. There were 647 investigations closed in 2019-20, and 80 GLAA-led sanctions, including eight prosecutions. The baseline would therefore be 8 per cent based on 2020-21 data. Whilst this measure has not been carried forward into the main 2021-22 performance framework, it will be incorporated into the operational performance dashboard that is in development for 2021-22.

## Objective five

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

#### Key deliverables

- Implement the programme of culture change and deliver against the agreed action plan milestones, working closely with teams and the Employee Representation Team to hold each other to account for progress achieved.

**Partially achieved** – The organisation has defined a new set of values; this was in consultation with all employees at the 2019 seminar. A culture change action plan was produced with some key deliverables, but there has been limited progress on the majority of these action plan milestones. This is for a variety of reasons, including the implementation of the new senior management structure, the Covid-19 pandemic, and some other legacy and capacity issues. The work is however underway, with a significant shift in focus in the new Personal Development Review process which was implemented in April 2021, with the values and behaviours being as much of a focus as the deliverables and outputs. In addition to this, some critical policies are being reviewed, including the grievance policy and procedure, with a much greater focus on early and informal resolution where possible.

There have also been significant strides forward in certain areas of particular relevance to Equality, Diversity, and Inclusion, and at the time of writing a management development programme is being finalised, as well as a new approach to recognition and reward.

- **Complete the implementation of recommendations from the review of health and safety, ensuring that policies and procedures are in place to protect our people, and develop new proposals to improve wider wellbeing through engagement with people across the organisation.**

**Partially achieved** – Health and Safety Policy implemented and Competent Person in place supported by an external consultant and the Head of People and Change. Extensive wellbeing focus throughout Covid-19, the number of Mental Health First Aiders increased to 17, and opportunities to discuss wellbeing being built into the new PDR process. At the time of writing, a suite of further policies are being developed in this area, which will provide full and consistent guidance across the organisation.

- **Develop clear workforce plans covering all business areas that improve resilience, diversity, and retention, and provide clear development routes for individuals and teams both within the organisation and with partners through secondments, exchanges, and placements.**

**Partially achieved** – Standardised induction and clear development route defined in several functions to be rolled out across all functions in year 2021-22. Formal workforce and succession planning to be implemented in year 2021-22.

- **Develop and implement a comprehensive and coherent set of HR policies and procedures to support all aspects of employee responsibilities, and advice, including equality, and diversity, and pay and reward.**

**Not achieved** – A review of HR policies in place with key policies being reviewed by the Board's Remuneration Committee (Remco). Its workplan now provides for cyclical review of these policies. The immediate focus was on the implementation of a new PDR system for April 2021 to replace previous system. A review of other high priority policies is in progress for roll out in 2021-22.

- Undertake a lesson learnt review of the re-organisation, and its impact on resource planning and operational capability and continuity, and include a review of the Business Continuity plan, and organisational readiness based on our response to the Covid-19 emergency.

**Fully achieved** – Lessons learnt review undertaken and published to Board and Leadership Team. Full holistic review planned for Q2 of 2021-22. External audit undertaken by GIAA focusing on Business Continuity. A Covid-19 Gold meeting was established, and a lesson learnt log maintained. Using the lessons learnt review, we will be using this in 21/22 to inform any further business change.

- Review progress of the pilot apprenticeships and develop and implement proposals to extend this to other functions along with alternative approaches to develop people in line with current and future skills needs.

**Partially achieved** – Pilot of apprenticeships continuing in one area of the organisation, review of options for potential apprenticeships/traineeships planned for 2021-22.

- **Improve resilience across the GLAA to reduce the risks of or from single person dependent points of failure.**

**Partially achieved** – Cross functional working is a focus for the new PDR system (for 2021-22) to increase resilience and reduce single points of failure.

- **Develop and implement programmes of learning to support the professionalisation of functions across the GLAA in line with nationally recognised occupational standards and accreditations (e.g. PIP, IPP, CIPD, CIMA).**

**Partially achieved** – Progress in some areas and continued investment planned, including involvement with a cross government intelligence professionalisation and accreditation programme.

## **Objective five targets**

For objective five, there was one aim of improving retention levels, increasing diversity, and increasing satisfaction of GLAA employees. To measure the success of this objective, there were six targets set. It is assessed that targets for this objective have been partially met.

Target	Outturn	Assessment
Maintain colleague satisfaction scores: Performance effectively managed and meeting with line manager – 81 per cent Proud to work for the GLAA – 94 per cent Treated with fairness and respect – 84 per cent	86 per cent  79 per cent  86 per cent	Not Achieved
To maintain or reduce the sickness absence 2019-20 level of 2.98 per cent, and remain under public sector rate of 2.9 per cent	1.93 per cent	Achieved
To reduce the 2019-20 turnover level and remain under public sector rate of 11 per cent (2019 data)	11.6 per cent	Partially achieved
To move closer to the national workforce figures based on gender and ethnicity	Gender – 36 per cent (national 54 per cent) Ethnicity – 4.2 per cent (national 13 per cent)	Not achieved
100 per cent of staff declaring their gender.	100 per cent	Achieved
Reduce by 10 per cent, the number of staff who do not declare ethnicity (19-20 46 per cent)	35 per cent	Achieved
80 per cent of colleagues to have had a PDP	14.6 per cent	Not achieved
80 per cent of their PDP requirements met	100 per cent	Achieved

**Target: Maintain colleague satisfaction score:**

The first target relates to maintaining colleague satisfaction scores and the table below summarises the performance:

Survey question	Target	20-21 outturn
Performance effectively managed and meeting with line manager	81 per cent	86 per cent
Proud to work for the GLAA	94 per cent	79 per cent
Treated with fairness and respect	84 per cent	86 per cent

People survey results have shown some improvements in two areas compared to previous years; however, one area has shown a reduction. For reporting purposes, the overall positive scores have been used as it is felt these are more reflective. Using the new method, overall satisfaction is 69 per cent from January 2021, against a target of 75 per cent. It is assessed that this target is partially met based on the previous measure.

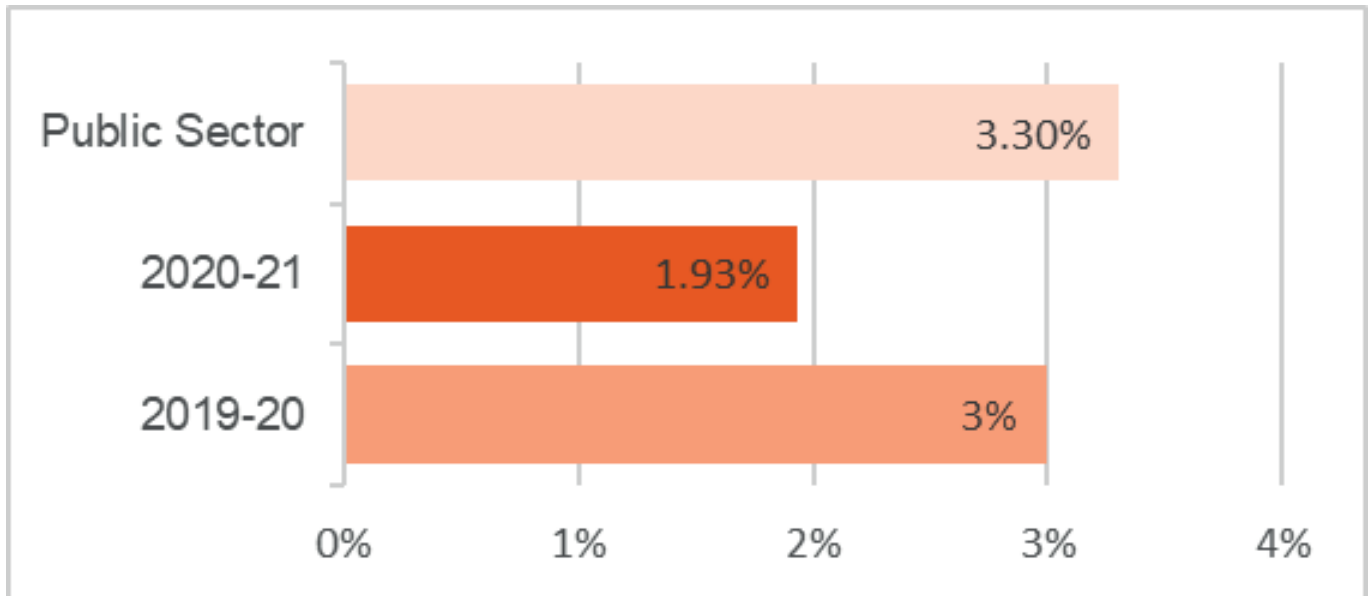
**Target: To maintain or reduce the 2019-20 level of 2.98 per cent, and remain under public sector rate of 2.9 per cent**

The second target related to sickness absence and was to maintain or reduce the 2019-20 level of 2.98 per cent and remain under public sector rate of 2.9 per cent.

Throughout the reporting period, the GLAA has recorded significantly under the national public sector average (indicative data from ONS to March 21) for percentage of working days lost because of sickness absence. This is



a decrease of over 1/3 as compared to the last reporting period. It is likely that the impact of Covid-19 has played a major part in this, as around 40 per cent of the people who work in the organisation, normally office based, have been working from home.

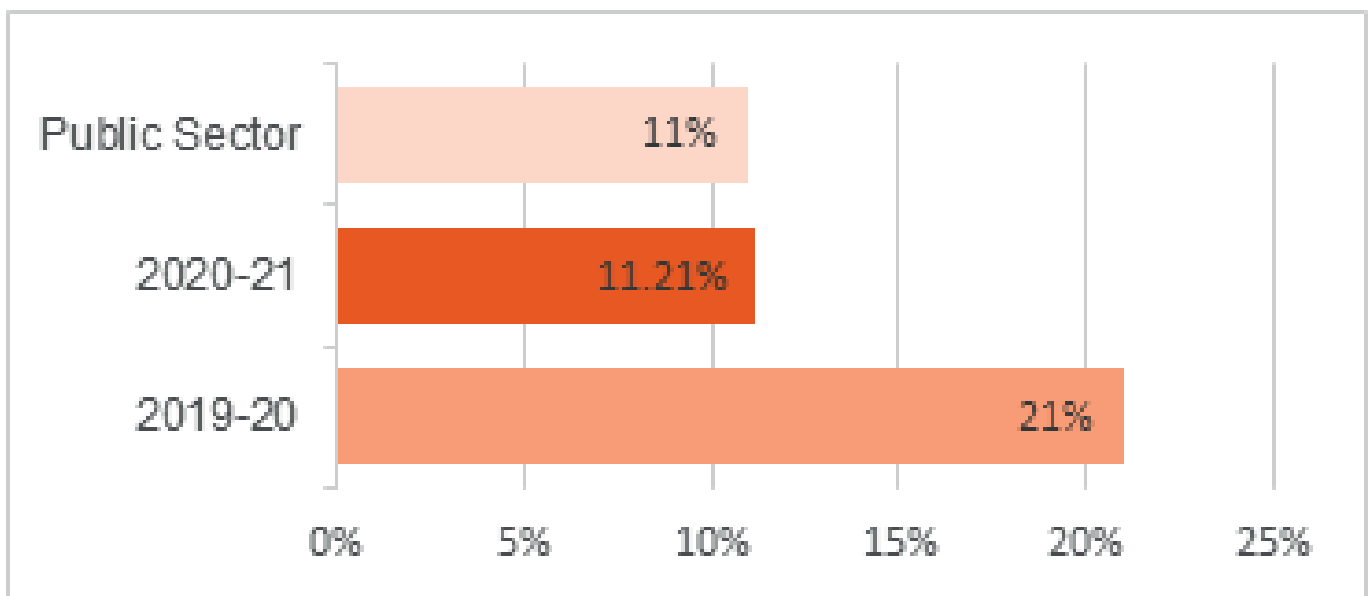


It is hard to draw conclusions about sickness levels from this year's figures. Employees may have felt able to work from home even if they would not have felt well enough to leave the house for work. We do know that across the UK, non Covid-19 related respiratory infections reduced in the period due to the restrictions imposed by the pandemic reducing normal transmission. However, we also know that mental health concerns have increased for the same reasons. We have significantly increased our cohort of mental health first aiders. Overall, we assess this target to have been achieved.

**Target: To reduce the 2019-20 turnover level and remain under public sector rate of 11 per cent.**

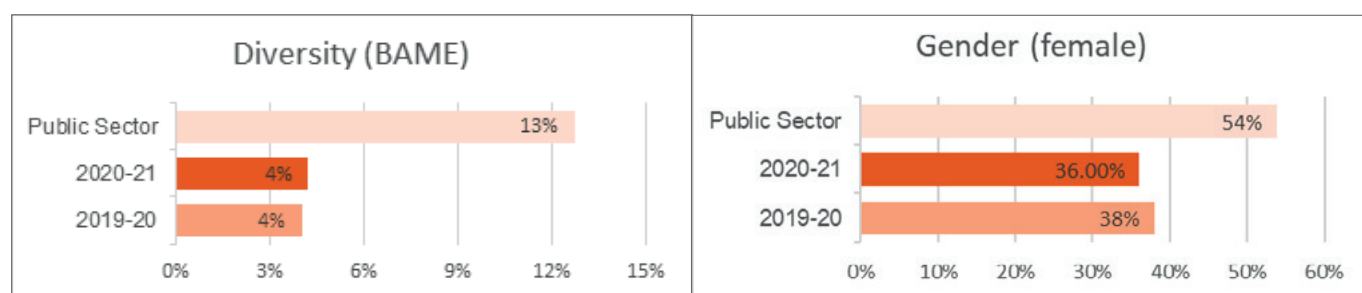
The third target was to reduce the 2019-20 turnover level and for it to be lower than the public sector rate. For this we used the 2019 public sector figure of 11 per cent as the 2020 figure was delayed and is subject to revision due to Covid-19.

Employee turnover has significantly reduced over the reporting period, ending the year on 11.21 per cent but has remained slightly above the public sector rate reported in 2019. However, it is likely that the pandemic could have had an effect here, in terms of uncertainty, reductions in vacant posts in the job market, and a reluctance to leave employment in the circumstances. We know from exit interview data and the recent People Survey that there is work to do around employee engagement to prevent attrition levels returning to previous levels. This target has therefore been recorded as partially achieved.



## Target: To move closer to the national workforce figures based on gender and ethnicity

The fourth target was to move closer to the national workforce figures based on (a) gender and (b) ethnicity. The GLAA reports 36 per cent female employees, which is above the UK police average of 30 per cent but below the civil service average of 54 per cent. Similarly, with BAME employees, the GLAA reports 4.2 per cent, which is significantly below the public sector average of 13 per cent. This part of the target has not been achieved



## Target: 100 per cent of staff declaring their gender.

Under target four, one of the sub targets is to maintain 100 per cent of staff declaring their gender. This was achieved.

## Target: Reduce by 10 per cent, the number of staff who do not declare ethnicity (2019-20 46 per cent)

A further sub target under target four was to reduce by 10 per cent the number of staff who do not declare ethnicity. Positive performance was achieved in this reporting period. In 2019-20, 46 per cent of colleagues did not declare their ethnicity – this has reduced to 35 per

cent in 2020-21, showing an improvement of 11 per cent compared to 2019-20. This target has been achieved.

### **Target: 80 per cent of colleagues to have had a PDP**

There were two additional targets added to monitor the level of personal development plans (PDP) amongst colleagues. The first target was for 80 per cent of colleagues to have had a PDP. This target was not achieved as only 14.6 per cent of PDPs have been completed. Focused work is ongoing in 2021-22 to increase this further by making PDPs mandatory.

### **Target: 80 per cent of their PDP requirements met**

The second of the new targets was to have 80 per cent of their PDP requirements met. This measure was achieved, with 100 per cent of requirements met. However, this must be caveated as this relates to formal PDP requirements. The GLAA does not record any informal PDP requirements colleagues may record on their PDP for self-learning.

## Objective six

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

#### Key deliverables

- Develop business case(s) for future growth and investment with a 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.

**Fully achieved** – Business cases for future growth and spending review responses evaluated by the Board and submitted to the sponsor department. However, this work was used as a basis of single rather than multiple year allocation. GLAA successfully secured increased capital investment.

- Provide a revised costing model for licensing activity, that can be used as a basis for costing the full range of the GLAA's activities and outcomes.

**Fully achieved** – Annual review of cost apportionment completed. A model has been developed to analyse costs of the Licensing function, which will need to be applied to compliance activity and refreshed to reflect changing compliance strategy.

- **Development and delivery of in-year efficiencies and savings for 2020-21, to ensure expenditure is in line with the level of available funding and budgetary pressures on the delivery of strategic objectives is clear.**

**Not achieved** – Although there was an underspend by the GLAA in 2020-21, this was because of the pandemic restrictions e.g. reduced travel expenses. The underlying issue of budget sustainability has not been fully resolved and will be considered in the 2021-22 business plan, although GLAA will be building on some new ways of working from the pandemic, that saw reduced travel and increased use of technology.

- **Produce a 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 and achieve value for money.**

**Not achieved** –The GLAA's financial plans reflected it had a single year budget rather than a multi-year settlement. This will be considered in 2021-22, as part of its spending review response. GLAA is not anticipating significant uplift in resources, and so the underlying issue of a sustainable budget will be a challenge GLAA addresses in 2021-22.

- Finalise 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 to agreed timescales.

**Partially achieved** – The strategic risk register and local team registers are in place. Leadership Team reviews both the local and strategic risk registers monthly. ARC and the Board have oversight of the strategic risk register quarterly.

Progress has been made in relation to internal audit recommendations, clearing a historic backlog. At the 31st March 2021, GLAA had one high and five medium recommendations overdue by between one to six months.

Previously, the timescales GLAA agreed for delivery of recommendations was unrealistic. A process is now in place to ensure audit dates are achievable.

Outstanding audit recommendations						
	31-Mar-21			31-Mar-20		
Age	High	Medium	Total	High	Medium	Total
more than 12 months	0	0	0	0	2	2
6-12 months	0	0	0	3	2	5
1-6 months	1	5	6	1	2	3
<b>Total Overdue</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>10</b>

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

**Fully achieved** – A management restructure announced to the organisation on 12 September 2019, which was initiated by the then CEO and Board. The resulting new management roles were designed to address recommendations from audit reviews and to strengthen governance. The recruitment to new management structure was finalised by April 2020. Work has progressed through the year on embedding assurance based on the HM Treasury three lines of defence.

- **Complete the first draft of the Annual Report and Accounts before July 2020.**

**Fully achieved** – The first draft was shared with the Board and Home Office, in May-2020 as noted at 68th and 69th Board meeting.

## **Objective six targets**

For objective six, there were four aims covering making savings, improving assurance, improving internal audit scores, and managing data. Across these four aims, there were four targets and two areas for improvement that narrative will be added. Four out of the six targets have been achieved, therefore targets for objective six have been partially met.



Target	Outturn	Assessment
Performance against budget cash 2 per cent (0.5 per cent in 2019-20)	Delivered in line with budget	Achieved
Medium term forecast providing a balanced budget that shows impact on activity and outcomes	1-year budget	Achieved
Identification of non-cash efficiencies with focus on technological improvements – 5 per cent (10 productive days per employee)	Travel and subsistence	Achieved
Improve accounting officer's assessment of assurance	Limited	Not achieved
To move self-assessment against assurance model from limited in 2019-20 to moderate	Limited	Not achieved
GLAA to manage data in line with internal policy and requirements of legislation		Not achieved

## Target: performance against budget cash 2 per cent (0.5 per cent in 2019-20)

The first target was performance against budget cash 2 per cent (0.5 per cent in 2019-20). GLAA managed its budget well during the year; it was a challenging year for forecasting given it was a period of significant change and uncertainty. The GLAA started the year with uncertainties created by Covid-19, and we expected these issues would be resolved more quickly than they were. The pandemic had a significant impact on pattern of GLAA expenditure and key budget assumptions like

levels of turnover, making managing spend forecasting more difficult, but the GLAA managed these to deliver spend in line with budget. This target was achieved.

### **Target: medium term forecast providing a balanced budget that shows impact on activity and outcomes**

The second target was on medium-term forecast providing a balanced budget that shows impact on activity and outcomes:

It had been anticipated that during the year a multi-year spending review would be completed, but this was cancelled. The GLAA did complete a detailed response based on a three-year settlement. This highlighted risks and opportunities and impact on activity against a range of scenarios that GLAA was asked to consider. The GLAA was given a single year budget settlement in line with most areas of public spending, and so has not been able to produce a medium-term forecast based on funding assumptions beyond 2021-22. This work will be used in 2021-22 to inform the spending review planned for summer 2021. The GLAA is also looking at the opportunities created from new ways of working created by Covid-19. This target was achieved.

## **Target: identification of non-cash efficiencies with focus on technological improvements – 5 per cent (10 productive days per employees)**

The third target was the identification of non-cash efficiencies with focus on technological improvements – 5 per cent (10 productive days per employees):

It is assessed that this target has been achieved – with the Covid-19 situation, we had a significant change in our operating practices. This was largely supported or enabled by technology, especially with the deployment of new technology like video conferencing. This enabled the GLAA to support the continued operational activity, despite the pandemic restrictions.

The impact of this can most clearly be seen in travel and subsistence spend, with a reduction of 71 per cent £290,000 (£115,000 2020-21 and £405,000 2019-20). Due to the impact of Covid-19, it is harder to directly measure the savings from IT and the focus on supporting operational activity with technology. Not all the travel cost reduction was due to technology, and there will have been impacts on performance, but this helped to significantly mitigate the risk we would have faced. There also will have been more significant savings with colleague's time saved from reduced travel. The GLAA also went from a partly to fully remote organisation overnight and saw no increase in IT issues reported or down time.

The GLAA is looking to use these new ways of working to support future savings and new ways of working, such as the new compliance strategy.

### **Target: To improve Accounting Officer assessment of assurance.**

One of the aims was to improve the Accounting Officers' assessment of assurance. The GLAA has consistently achieved a rating of limited by external audit by the Government Internal Audit Agency (GIAA). This rating is mainly due to the lack of defined first and second line controls. Whilst it is anticipated that checks and balances are in place, we are not able to evidence it.

Through the restructure, there has been a dedicated governance function developed and, in this period, progress has been made to create foundations to develop our assurance mechanisms. This is a significant piece of work, which is expected to take two years to implement. In this period, there has been a significant improvement in our risk management processes, however more work is needed to embed these good practices further across the GLAA.

The assessment of assurance is limited in line with internal audit findings.

### **Target: To move self-assessment against assurance model from limited in 2019-20 to moderate**

The fourth target was to move self-assessment against assurance model from limited in 2019-20 to moderate.

In this reporting period there have been four audits carried out:

<b>Audit</b>	<b>Rating</b>
Governance	Moderate
Compliance	Limited
Response to Covid-19	Limited
Business Continuity	Limited

Where limited assurance was given, this was linked to the GLAA not being able to effectively evidence first and second line assurance controls. Following the compliance audit, there has been significant work done to address the limitations and a compliance strategy was published in 2021-22. Whilst the GLAA accepted the recommendations in the Covid-19 audit, it has been acknowledged that the organisation responded very well to the pandemic in real time and was flexible in its approach, which enabled the organisation to maintain its operational capabilities. The response to the pandemic was a live test of our business continuity plans, however there is work to do to ensure our responses to emergencies are planned and tested. This work will be progressed through the newly created Organisational Assurance Group (OAG).

Over the reporting period, there have been discussions around the deadlines the leadership team sets for the actions and ensuring they are reasonable and achievable. A process has been developed to ensure that the recommendations can be met in a timely fashion and this work has continued into 2021-22.

Due to the consistent limitations in first and second lines of defence, it is assessed that this target has not been met.

**Target: GLAA to manage data in line with internal policy and requirements of legislation**

A further target was set for the GLAA to manage data in line with internal policy and requirements of legislation. The GLAA has a number of agreed policies and procedures in place which are managed by the Risk and Information Assurance Manager on behalf of the GLAA Leadership Team. These policies are currently being updated but will require little change. The policies required ensure the organisation adheres to Data Protection Act requirements.

Additionally, a number of articles are in place to support the ongoing reporting and management of data including those to record assets, data management and breaches and subject access requests.

There is currently a significant piece of work underway to deal with retention and destruction of data in line with GLAA policies and Retention and Destruction Schedules. On this basis, GLAA data management was not achieved.



**Elysia McCaffrey**  
*Accounting Officer*  
20 January 2022

# Accountability Report

## Corporate Governance Report

### Director's Report

#### Management Board

GLAA completed a management restructure during 2019-20, which changed the executive management structure. This resulted in various changes including the appointment of a new Director of Resources role at the end of March 2020, and these changes were implemented in April 2020. The previous Executive Management Team remained in place with their existing responsibilities for the whole period. Declarations of interest for the Executive Management Team are recorded on page 143. These are disclosed for transparency and in case of conflict with their GLAA management responsibilities.

The composition of the Executive Management Team is identified under the governance statement on pages 100 to 116. The Executive Team is supported by the Leadership Team, which comprises nine Heads of Function.

Also, on pages 119 to 121, 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.gla.gov.uk](http://www.gla.gov.uk).

## Financial position

The Statement of Comprehensive Net Expenditure for the year ended 31 March 2021 on page 158 shows a deficit of £6,226,000 (£6,636,000 2019-20).

This deficit reflects the fact that, for the purposes of financial reporting, the Grant-in-Aid (GIA) does not form part of the GLAA's income. It is accounted for in the Financial Statements within the Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021 on page 161.

## 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 132 to 138.

## 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 later. We have also undertaken to comply with the Department for 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 20-21, the GLAA achieved an average payment time of 5.91 days (5 days in 2019-20).

## Complaints procedure

The GLAA has an established policy<sup>22</sup> for dealing with complaints. All complaints are responded to in writing. If not satisfied, the complainant can then refer the matter to the Parliamentary and Health Service Ombudsman, who investigates complaints about maladministration or service failure on the part of the GLAA.

As part of the oversight of the enforcement powers granted to the GLAA from 2017, its use of them comes under the remit of the Independent Office for Police Conduct. Any abuse of the GLAA's authorised PACE powers can therefore result in a complaint being sent to the IOPC, who then determine how that complaint should be dealt with in accordance with the Gangmasters and Labour Abuse Authority (Complaints and Misconduct) Regulations 2017<sup>23</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 2020-21 the GLAA received 13 complaints, eight of these related to late licence renewals. Due to the pandemic, all colleagues were quickly moved to working from home in March 2020. Part of the usual licensing process on licence renewals included hard copy letters being sent to licence holders following e-mail reminders.

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22 [www.gla.gov.uk/who-we-are/complaints/](http://www.gla.gov.uk/who-we-are/complaints/)

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

Due to the team working from home, these hard copy reminders could not be sent. It became apparent that many licence holders relied heavily on these hard copy reminders, which led to a number of licence holders missing their renewal date. Once the pattern had been identified, communications using our gov. notify service was sent to all licence holders reminding them that renewals was their responsibility. A message was added to the website to let licence holders know that letters would not be sent, and a further GLAA brief was issued to remind licence holders that ensuring their licence was up to date is their responsibility. There were six complaints in 2019-20.

No complaints received in 2020-21 were referred to the PHSO (none 2019-20).

## **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 (including 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>24</sup>.

In 2020-21 the GLAA received 30 requests under the FOI Act (53 requests in 2019-20). These mainly concerned investigations and operations in relation to licensing and

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24 [www.gla.gov.uk/publications/external-communications-policy-1/](http://www.gla.gov.uk/publications/external-communications-policy-1/)

labour exploitation, together with the strategic, business, and staffing functions of the GLAA. Two requests were withdrawn. 25 responses were provided inside the stipulated 20-day period (83 per cent). Where there were delays, this was in the main due to resource constraints.

All the published FOIs within this reporting period can be found on the GLAA website<sup>25</sup>.

## Parliamentary questions

Nine parliamentary questions which referenced the GLAA or required a GLAA response were recorded and published on our website<sup>26</sup>. The majority related to GLAA strategy and operations involving modern slavery and labour exploitation. Three were about the seasonal workers pilot scheme, with three relating to the business and staffing functions of the GLAA. All the published PQs within 2020-21 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.

We are committed to eliminating discrimination and ensuring that we have a work force that is diverse and inclusive. 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

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

26 <https://www.gla.gov.uk/whats-new/parliamentary-questions/>

respected and able to give their best. Our policy is also applicable to all customers, suppliers, and contractors, whether permanent or temporary.

The GLAA welcomes applications 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 are committed to 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. We have set up an Equality, Diversity, and Inclusion group where volunteers act as a champion for each protected characteristic. The group aims to raise awareness of equality issues and equip colleagues to make the workplace a great environment for everyone to thrive in.

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 treat all staff with dignity and respect and 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 colleagues, the GLAA values were refreshed in 2019-20, and are included within our mission statement:

“Working in partnership to protect vulnerable and exploited workers with integrity, respect, commitment, professionalism, and teamwork.”



**Elysia McCaffrey**  
*Accounting Officer*  
20 January 2022

# Statement of Accounting Officer's responsibilities

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

In preparing the accounts, I, as Accounting Officer, am required to comply with the requirements of the Financial Reporting Manual (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, keeping proper records and for safeguarding the GLAA's assets – are set out in *Managing Public Money* published by HM Treasury.

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

# Governance Statement

## Scope of Accounting Officer's responsibilities

As the Chief Executive 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 Leadership Team. The GLAA Board is presented with a full strategic risk register bi-annually and has delegated responsibility for routine monitoring of risk management arrangements to the Audit and Risk Committee. 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 2020-21, 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 regular reporting to its sponsor team.

In preparing the annual Governance Statement for 2020-21, 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 non-departmental body 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, CEO Michael Rich with effect from 19 July 2019, and six 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 Leadership Team. In 2020-21 there were five Board meetings.

Following the resignation of Michael Rich, the Board conducted a comprehensive public recruitment campaign

to find its new Chief Executive, engaging with internal and external stakeholders. The appointment of the Board's preferred candidate was approved by the Secretary of State in May 2021.

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

The Remuneration Committee makes recommendations regarding the performance management and any remuneration applicable to senior civil servants. It also considers and approves policies that relate to the management of people within the organisation. During 2020-21, Remco also provided advice to the Chair in relation to the recruitment of the permanent CEO.

There are also two liaison groups (these are not committees of the Board): A Labour User/Provider liaison group, which is chaired by a Board member, and a Worker/NGO liaison group, which is also 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 2020-21 is detailed below. A public register of interests for Board members is held, and this may be accessed via the GLAA's website at [www.gla.gov.uk](http://www.gla.gov.uk).

## Attendance

Representative	GLAA Board meetings	Audit and Risk Committee	Remuneration Committee
Margaret Beels OBE (Chair)	5/5	N/A	N/A
Michael Rich (CEO) Board member until 19/07/2020	1/1	N/A	N/A
Ziggy MacDonald (CEO) ex-Officio from 01/08/2020	3/3	4/4	N/A
Simon Allbutt	5/5	4/4	2/5
William Butler	5/5	4/4	N/A
Angela Coleshill Board member until 07/07/2020	1/1	N/A	N/A
Prof Linda Dickens MBE	5/5	N/A	5/5
Dr Paul Williams	5/5	4/4	2/5
Suzanne McCarthy	5/5	4/4	N/A
Julia Mulligan Board member from 08/05/2020	4/4	N/A	4/5

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 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 monthly and reports on performance quarterly at Board Meetings. The Board has deemed the quality acceptable for its purposes of oversight and scrutiny of the organisation.

## **Transparency on Business Appointments**

In compliance with Business Appointment rules, the GLAA is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on Home Office website.<sup>27</sup>

## **Internal Audit**

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

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

Five audits were planned during the year; however, one was removed from the plan as it was related to the licensing system which was in the process of being changed from LAWS to GLASS. The table below summarises the assurance ratings for each audit. The overall opinion of GIAA was limited, meaning there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

<b>Audit subject</b>	<b>Assurance rating</b>
Governance	Moderate
Compliance Inspection Process	Limited
Covid-19 review	Limited
Business Continuity	Limited

Further to the audits, there were a series of Board-led deep dives undertaken to look at specific areas within the GLAA. The actions for these are managed through ARC.

Internal audit consistently identifies areas for improvement on first and second lines of defence. A new role was developed in the restructure, the Head of Governance, and this role is responsible for improving the governance and assurance of the GLAA.

In January 2021, the Board approved the governance approach that was presented by the Leadership Team. This approach outlined a two-year plan to focus on assurance, performance, and risk management to improve internal processes, which will be ultimately evidenced through improved internal audit ratings. Significant progress has already been observed in how

we carry out our risk management and this will be built on further in 2021-22.

A recent audit in quarter one of 21/22 on our processes around the identification of victims has received an unsatisfactory rating. This relates to the standard operating procedures and policies that were in place and the gaps identified. Work is ongoing internally to strengthen the first and second lines of defence, and GIAA have commented on the positive progress that has been made both in terms of culture and processes. Work to address the audit findings has begun and will result in more robust policies, procedures, and training.

## **Risk Management**

In 2020-21, the risk management process has developed further. Local risk registers are maintained, which feed the strategic risk register. These risks are scrutinised through various levels as illustrated in the figure below. The Risk and Information Governance Group (RIGG) has been superseded by the Organisational Assurance Group (OAG). This group scrutinises the risks and regularly escalates to the Leadership Team (LT) for second line assurance who report to the Board on pertinent risks. Key risks are escalated to the Home Office through the regular sponsorship meetings.

**Home Office Escalation Process -**

This process will be used when the mitigations are outside the control of the GLAA

**BOARD** - Have oversight of risks, mitigations and controls. Need to be made aware of all strategic risks.

**ARC** - Ensure adequate process for control and governance is in place as delegated by the Board.

**LT** - Discussion and agreement of strategic risks and relevant performance issues when reached trigger points. Ensure appropriate management of risk and underperformance is in place.

**OAG** - Group manage performance and risks and also escalate risks and underperformance using defined levels of assurance.



A new performance regime is being developed where risk is being integrated with performance using the risk appetite set by the Board. This will be linked to performance to identify when tolerances are breached. This information will be used to make appropriate resource and operational decisions, creating a performance and risk-based decision-making model. A general risk management statement has been agreed with the GLAA Board to summarise the GLAA's approach to risk.

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

## **Risk category and appetite**

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

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

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

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

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

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

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

**Legal challenge** – We take a **cautious** approach when it comes to any legal challenge. Any negativity could impact

on reputation, morale, and impact on delivery of our critical operations.

## Definitions of appetite

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

The strategic risk register and emerging issues are presented to the regular ARC meetings with comments and proposed actions, as well as being presented bi-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.

## Primary risks and what we have been doing

The GLAA has been working to a Risk Mitigation Monitoring Management (RMMM) methodology to embed risk management practices within the organisation. Risk is now intrinsically linked to performance monitoring to aid decision making. The GLAA is also developing a risk maturity score to assess itself against progress and to assist in addressing any barriers to an organisation wide RMMM culture.

- The delays to replacing the legacy IT system (Laws) that underpins the statutory regulatory role of the GLAA.
  - Commissioned a new system to be developed with the assistance of an external supplier. This was a replacement of the original Laws system with the new system, which is now fully live, called GLASS. This system went live in May 2021.
- Continuing to deliver the service safely during the Covid-19 pandemic.
  - Established an internal Gold group to implement the government's advice and provide clarity to the organisation. Gold has continued throughout the pandemic and to date to assist with returning to the office based on the Home Office hybrid model
  - Created a structured decision-making model to deal with localised issues specific to GLAA
  - Where applicable, and in the majority of cases Home Office guidance and policy was adhered to

- Quickly implemented working from home for all colleagues
- Rolled out virtual communication tools
- The continuing growth in 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. Process reviews are underway however, a doubling of demand against static resources presented significant operational challenges for the organisation during the reporting period.
  - Carried out process reviews to identify areas for improvement using the deep dive methodology
  - Supported areas of high demand through recruitment
  - Developed a strategic working group to with a view to ascertaining technological opportunities to manage demand
- The ongoing impacts of a restructure of the senior management team, including disruption and grievances.
  - Conducted a people survey to capture views and key areas of concern
  - Initiated a review of the restructure for lessons learnt

- Internal support and communication have been ongoing to try and identify and resolve issues raised

## **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior 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.

## **Financial management**

The GLAA received formal confirmation of its budget for 2020-21 during the second quarter of that year. Significant contributions were made to the 2019 spending review process, but no changes were consequently made to the GLAA budget. Risk remains as a result of continuing single year allocations and the timeliness of budget confirmation. Making savings remains challenging in the context of the growing operational demands noted above, and the GLAA continues to prioritise its resources in response to these risks.

## **Information security**

In 2020-21, the GLAA's Data Protection Officer reported nil breaches to the ICO. Although a small number of

breaches were reported and recorded internally, once assessed using the ICO reporting framework, these were recorded as 'not reportable'.

## **Managing conflicts of interest**

GLAA employees are public servant and not civil servants, where we have appointment to SCS equivalent post (CEO and COO), these are dealt with respect of business interests in adherence to the civil service management code through a public appointment process overseen by Home Office and the public appointments team. Declaration of interest are also then taken at each Board meeting and colleagues are expected to declare any interests if they arise during a course of a meeting. The Board members are also required to agree to the anti-bribery policy and guidance on an annual basis. Declarations of interests are already captured for the Board and Senior Management (SCS equivalents) and disclosed in the ARA.

A more comprehensive policy that will widen this responsibility to the whole organisation and create a process for managing this, drawing on best practice from civil service management code, has been drafted and is in the process of being disseminated across the organisation.

## **Whistleblowing Arrangements**

The GLAA has a Protected Disclosure policy and procedure which is available on the intranet for all colleagues to view. This policy was last updated in

February 2020 and is due for its next review in February 2022. The Audit and Risk Committee have oversight of this policy and when any disclosures are made. The policy outlines three options to make a disclosure. One is through a line manager who are expected to make a fair evaluation. Option two is through a dedicated e-mail which is monitored by the Head of People and Change, and option three is directly to the CEO. In 2019-20 and 2020-21 we received no disclosures.<sup>28</sup>



**Elysia McCaffrey**  
*Accounting Officer*  
20 January 2022

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



# Remuneration and staff report

## Executive Management Team

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

Ziggy Macdonald	Interim Chief Executive (from 1 August 20)
Michael Rich	Chief Executive (from 1 April to 31 July 20)
Daniel Scully	Director of Resources

## 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 129 to 130.

## **Board members remuneration (subject to audit)**

The Chair and Board Members of the GLAA are remunerated on a daily basis. These costs are included in the staff costs total of £5,332,000 (£5,265,000 2019-20) on page 138. No payments have been made to the Chair in 20-21 for travel and subsistence (£1,099 2019-20).

	Directorships and significant interests	Remuneration 2020-21 £000s	Remuneration 2019-20 £000s
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>• Trusteeship: Friends of the Connection The London Chorus</li> </ul>	25-30	20-25
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>	15-20	10-15
Angela Coleshill (till 7 May 2020)	<ul style="list-style-type: none"> <li>• Director, Food and Drink Federation (to 31 December 19)</li> <li>• Director, National Skills Academy for Food and Drink</li> <li>• Director, Provision Trade Federation (1 Jan 2020 to 31 March 2020)</li> </ul>	0-5	5-10
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>	10-15	5-10

	Directorships and significant interests	Remuneration 2020-21 £000s	Remuneration 2019-20 £000s
Dr Paul Williams	None	5-10	5-10
Suzanne McCarthy	<ul style="list-style-type: none"> <li>• Chief Fire Officers Association – Chairman, Fire Standards Board</li> <li>• Ministry of Housing, Communities and Local Government – Deputy Chairman, Valuation Tribunal Service, Chair, Audit Committee</li> <li>• Academy of Medical Royal College – Board Member</li> <li>• The Mayor’s Office for Policing and Crime – Chairman, Joint Audit Panel for the Mayor’s Office for Policing and Crime and the Metropolitan Police Service</li> <li>• Fundraising Regulator – Board Member, Chairman, Standards Committee</li> <li>• DePaul UK – Chairman</li> <li>• Advertising Standards Authority – Independent Senior Director, Chairman, Risk and Audit Committee</li> <li>• Office for Students – Independent Member, Audit Committee</li> </ul>	5-10	5-10

	Directorships and significant interests	Remuneration 2020-21 £000s	Remuneration 2019-20 £000s
	<ul style="list-style-type: none"> <li>• Chartered Institute of Legal Executives – Independent Member, Audit Committee and Professional Board</li> <li>• Greater London Authority – Independent Appointed Person</li> <li>• Foreign and Commonwealth Office – Commissioner of the Marshall Aid Commemoration Commission</li> <li>• Association of Chartered Certified Accountants – Member, Disciplinary and Regulatory</li> <li>• Director – Medics Academy (Vopulus Ltd)</li> </ul>		
Julia Mulligan (from 8 May 2020)	<ul style="list-style-type: none"> <li>• Chair, Independent Domestic Abuse Service</li> <li>• Independent Member, The Parole Board</li> <li>• Police and Crime Commissioner for North Yorkshire</li> </ul>	5-10	–

Normal business-related travel and subsistence was reimbursed to Board members in line with the GLAA's policy. This amounted to £0 in 2020-21 (£4,000 2019-20).

## **Tax arrangements for public sector appointees**

There were no off-payroll engagements as of 31 March 2021 (none 2019-20) 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 2019-20). None of the engagements involved Board members or any of the Executive Management Team with significant financial responsibility, during the financial year.

The total spend on contractors for 2020-21 was £0 (£54,000 2019-20).

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

During the reporting period, the Interim Chief Executive (Ziggy MacDonald) was on a Fixed Term Contract, which was extended to July 2021 to provide a handover to the new Chief Executive, Elysia McCaffrey, who commenced her position on 28 June 21 on a Fixed Term Contract for three years ending 28 June 2024. During the first 6 months of service, the notice period is one month, on completion of six months service, the notice period is three months.

All other senior managers are permanent employees and all senior managers' contracts contain a three-month

notice period, which is an appropriate time to allow for a handover period.

## **Policy on performance related pay**

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

In 2019-20, the bonus award was shared equally amongst those who had achieved a rating of 'effective' or 'highly effective' on their Performance Development Review (PDR). For 2020-21 and 2021-22, this approach remains in place with plans in place to change.

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

The Chief Executive's and 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. This is assessed by the Chair and Remuneration Committee, which then submits its recommendations to the Home Office Minister for approval.

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

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

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

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



based on the skills and experience necessary to perform the role.

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

## Transparency on Business Appointments

In compliance with Business Appointment rules, the GLAA is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on Home Office website.<sup>29</sup>

## Staff turnover

In 2020-21 GLAA overall staff turnover was 11.21 per cent this had reduced from 2019-20 (20.60 per cent). When taking into account colleagues that moved to other roles within the civil service, the turnover is reduced to 10.34 per cent 2020-21 (16.31 per cent 2019-20).

## Staff engagement

A staff survey was not conducted in financial year 2019-20. The overall satisfaction rate for 2020-21 was measured at 69 per cent as detailed in the performance report.<sup>30</sup>

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

30 <https://www.gla.gov.uk/media/7266/q4-v4-lt-mtg-200421-accessible-002.pdf>

<b>Survey question</b>	<b>2020-21</b>
Performance effectively managed and meeting with line manager	86 per cent
Proud to work for the GLAA	79 per cent
Treated with fairness and respect	86 per cent

## Other employee matters

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

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

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

A Health and Safety Committee is held on a quarterly basis where representatives from across the organisation

discuss health and safety matters and any changes required to improve safe working within the organisation.

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

## **Salary information (subject to audit)**

### **Single total figure of remuneration**

The Chief Executive and the 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 CEO, will become the senior managers of the organisation. The Director of Operations post is currently vacant following an unsuccessful recruitment exercise. As the Director of Resources was only appointed at the end of financial year, the new management structure only became effective in April 2020.

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

There were no bonus arrangement in place for the CEO during 2020-21.

The figures in the table include salary, benefit in kind, and non-consolidated performance-related pay. There were no severance payments or benefit in kind payments to Directors in 2020-21 (none in 2019-20). 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 2020-21 figures would relate to 2019-20 PRP awards, as these are paid in the following year.

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.

## 2020-21 – Single total figure of remuneration

Senior manager	Job title	Salary £000s	Performance payments £000s	Pensions benefits £000s	Total £000s
Michael Rich (to 31 July 2020)	Chief Executive	35-40 (FYE 105-110)	–	14	50-55
Ziggy Macdonald (from 1 August 2020) <sup>31</sup>	Interim Chief Executive	70-75 (FYE 105-110)	–	27	100-105
Daniel Scully	Director of Resources	70-75	0-5	57	135-140

**2019-20 – Single total figure of remuneration**

Senior manager	Job title	Salary £000s	Performance payments £000s	Pensions benefits £000s	Total £000s
Michael Rich	Chief Executive	105-110	–	43	150-155
Daniel Scully (From 16 Mar 20)	Director of Resources	0-5 FYE 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

## 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 2020-21 was £105,000 – £110,000 (2019-20, £105,000 – £110,000). This was 3.25 times (2019-20, 3.24) the median remuneration of the workforce, which was £33,112 (£33,924 2019-20).

In 2019-20 accounts GLAA disclosed the median pay was £30,639 and that highest Director pay was 3.51 that amount. This had been incorrectly calculated as it excluded benefit in kind payments made to staff that had private use of lease vehicles.

In 2020-21 no employees received remuneration in excess of the highest-paid director (none, 2019-20). Remuneration ranged from £20,000-£25,000 to £105,000-£110,000 (£20,000-£25,000 to £105,000-£110,000 2019-20). Total remuneration includes salary, non-consolidated PRP, and benefits in kind. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pensions.

## Staff composition (head count) as at 31 March 2021

	2020-21		2019-20	
	Female	Male	Female	Male
Other Employees	43	76	44	77
Board	3	3	2	3
<b>Total</b>	<b>46</b>	<b>79</b>	<b>46</b>	<b>80</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 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable

earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

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

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

### **Real increase in CETV**

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

## Pensions benefit CETV Information (subject to audit)

### 2020-21

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

### 2019-20

Senior Manager	Real Increase in pension 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	-	0-5	-	7	35	20
Daniel Scully	0-2.5	-	15-20	-	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

The Director of Operations opted out of the pension scheme. The prior year Real increase in lump sum at pension age and the Related lump sum at pension age for Michael Rich and Daniel Scully have been restated to nil following a review of underlying evidence.

## Staff costs (subject to audit)

	2020-21		2019-20	
	Permanently employed staff £000s	Other / Temporary £000s	Permanently employed staff £000s	Other / Temporary £000s
Staff salaries including PRP	3,772	134	3,931	2
Employee benefits as per IAS 19	37	–	(8)	–
Social security costs	422	16	424	–
Pension service costs	911	40	916	–
<b>Total</b>	<b>5,142</b>	<b>190</b>	<b>5,263</b>	<b>2</b>

Holiday pay liability increased during the period due to impact of Covid-19.

Six employees were employed on a fixed term contract during 2020-21 (five employees 2019-20). GLAA spent £0 on consultancy in 2020-21 (£0 2019-20)

A total of £97,000 was accrued for PRP (£83,000 2019-20).

## Pension costs

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multiemployer defined benefit schemes but the GLAA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the Civil Service

Pension Scheme as at 31 March 2016: [GAD report \(civilservicepensionscheme.org.uk\)](http://civilservicepensionscheme.org.uk).

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

For 2020-21, employers' contributions of £844,000 were payable to PCSPS and CSOPS (£805,000 2019-20) at one of four rates in the range 26.6 per cent to 30.3 per cent of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires and not the benefits paid during the period to existing pensioners.

Employees can opt to open a partnership pension account or a stakeholder pension with an employer contribution. Employer's contributions of £104,000 (£119,000 2019-20) were paid to Legal and General, who was appointed as the sole stakeholder pension providers in September 2018. Employer contributions are age-related and ranged from 8 per cent to 14.75 per cent. Employers also match employee contributions up to 3 per cent of pensionable earnings.

In addition, employer contributions of £3,000 (£4,000 2019-20), 0.5 per cent of pensionable pay, were payable to the PCSPS in 2020-21 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 2021 were £0 (£0 in 2019-20). Contributions prepaid at that date were nil (nil in 2019-20).

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

	2020-21			2019-20		
	Total	Permanent staff	Others	Total	Permanent staff	Others
Total directly employed	119	119	0	115	115	0

### **Reporting of Civil Service and other compensation schemes exit packages 2020-21** (subject to audit)

There was one exit package agreed during 2020-21 (four 2019-20). None of these related to senior managers but were all as result of the management restructure and all followed the relevant Cabinet Office approval protocol.



Exit package cost band	2020-21			2019-20		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-	-	-	-
£10,000 – £25,000	-	1	-	-	-	-
£25,000 – £50,000	-	-	-	-	2	-
£50,000 – £100,000	-	-	-	-	1	-
£100,000 – £150,000	-	-	-	-	1	-
£150,000 – £200,000	-	-	-	-	-	-
Total Number of exit packages	-	1	-	-	4	-
<b>Total resource cost (£,000)</b>	-	<b>10</b>	-	-	<b>229</b>	-

## **Sickness absence**

For the reporting year to 31 March 2020, the average number of days lost to staff sickness was 4.81 (7.37 2019-20).

## **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 2020 to 31 March 2021.

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

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

## Declarations of interest

Senior Leaders	Declarations of Interest
Ziggy MacDonald, Interim Chief Executive	• None
Michael Rich, Chief Executive	• None
Daniel Scully, Director of Resources	• None

# 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 2020 to 31 March 2021, the GLAA incurred no losses

(£0 2019-20). GLAA made no special payments in 2020-21 (£0 2019-20).

## Fees and charges

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

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

	<b>Income</b>	<b>Full costs</b>	<b>Surplus/ (deficit)</b>	<b>Fee recovery actual</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>per cent</b>
Licensing 2020-21	1,052	2,073	(1,021)	51
Licensing 2019-20	1,006	2,183	(1,177)	46

For the purposes of cost recovery, expenditure has been analysed by function, as well as category, shown in note 2 on pages 173 to 174. 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 177 to 178.

## Remote contingent liabilities

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

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



**Elysia McCaffrey**  
*Accounting Officer*  
20 January 2022

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Gangmasters and Labour Abuse Authority for the year ended 31 March 2021 under the Gangmasters (Licensing) Act 2004. The financial statements comprise: 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. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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 the Gangmasters and Labour Abuse Authority's affairs as at 31 March 2021 and of the Gangmasters and Labour Abuse Authority's net expenditure for the year then ended;

- have been properly prepared in accordance with the Gangmasters (Licensing) Act 2004 and Secretary of State directions issued thereunder.

## **Opinion on regularity**

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

## **Basis for opinions**

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

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Gangmasters and Labour Abuse Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.



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

## **Conclusions relating to going concern**

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

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

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

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

## Other Information

The other information comprises information included in the annual report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

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

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

## Matters on which I report by exception

In the light of the knowledge and understanding of the Gangmasters and Labour Abuse Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the performance and Accountability report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- 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

- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; 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.

## **Responsibilities of the Accounting Officer for the financial statements**

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls the Accounting Officer determines necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Gangmasters and Labour Abuse Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Gangmasters

and Labour Abuse Authority will not continue to be provided in the future.

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

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

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

I design procedures inline with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Gangmasters and Labour Abuse Authority's head of internal audit and those charged with governance, including obtaining

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

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Gangmasters and Labour Abuse Authority's controls relating to the Gangmasters (Licensing) Act 2004 and Managing Public Money;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and the risk of bias in accounting estimates;
- obtaining an understanding of the Gangmasters and Labour Abuse Authority's framework of authority as well as other legal and regulatory frameworks that the Gangmasters and Labour Abuse Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements

or that had a fundamental effect on the operations of the Gangmasters and Labour Abuse Authority. The key laws and regulations I considered in this context included the Gangmasters (Licensing) Act 2004, Managing Public Money, Employment Law and tax Legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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

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



## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
20 January 2022

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

# Financial Statements

## Statement of comprehensive net expenditure for the year ended 31 March 2021

	Note	2020-21 £000s	2019-20 £000s
<b>Expenditure</b>			
Staff costs	3	5,332	5,265
Operating expenditure	3	2,043	2,483
<b>Total expenditure</b>		<b>7,375</b>	<b>7,748</b>
<b>Revenue from contracts with customers</b>			
Enforcement	4	(97)	(106)
Licence fees	5	(748)	(760)
Application inspections	5	(304)	(246)
<b>Total income</b>		<b>(1,149)</b>	<b>(1,112)</b>
<b>Net expenditure for the year</b>		<b>6,226</b>	<b>6,636</b>

## Other comprehensive expenditure

	Note	2020-21 £000s	2019-20 £000s
<b>Items that will not be reclassified to net operating cost:</b>			
Net loss on revaluation of intangible assets	7	2	1
<b>Comprehensive net expenditure for the year</b>		<b>6,228</b>	<b>6,635</b>

The notes on pages 162 to 188 form an integral part of the accounts.

## Statement of financial position as at 31 March 2021

	Note	31 March 2021 £000s	31 March 2020 £000s
<b>Non-current assets</b>			
Property, plant, and equipment	6	843	1,144
Intangible assets	7	1,274	261
<b>Total non-current assets</b>		<b>2,117</b>	<b>1,405</b>
<b>Current assets</b>			
Trade and other receivables	8	207	168
Cash and cash equivalents	9	743	960
<b>Total current assets</b>		<b>950</b>	<b>1,128</b>
<b>Total assets</b>		<b>3,067</b>	<b>2,533</b>
<b>Current liabilities</b>			
Trade and other payables	10	(2,501)	(2,810)
Provisions	11	(17)	(17)
<b>Total current liabilities</b>		<b>(2,518)</b>	<b>(2,827)</b>
<b>Total assets less current liabilities</b>		<b>549</b>	<b>(294)</b>
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		<b>–</b>	<b>–</b>
<b>Total liabilities</b>		<b>(2,518)</b>	<b>(2,827)</b>
<b>Assets less liabilities</b>		<b>549</b>	<b>(294)</b>
<b>Reserves</b>			
General reserve		548	(297)
Revaluation reserve		1	3
<b>Total reserves</b>		<b>549</b>	<b>(294)</b>



**Elysia McCaffrey**  
Accounting Officer  
20 January 2022

The notes on pages 162 to 188 form an integral part of the accounts.

## Statement of cash flows for the year ended 31 March 2021

	Note	2020-21 £000s	2019-20 £000s
<b>Cash flows from operating activities:</b>			
Net operating cost		(6,226)	(6,636)
Adjustments for non-cash transactions:			
Depreciation	6	320	328
Amortisation	7	75	78
(Increase)/decrease in trade and other receivables	8	(40)	(93)
Increase/(decrease) in trade and other payables	10	(309)	654
Payments to the consolidated fund which are outside the scope of the GLAA's activities		–	–
<b>Net cash outflow from operating activities</b>		<b>(6,180)</b>	<b>(5,669)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	6	(19)	(30)
Purchase of intangible assets	7	(1,090)	(181)
<b>Net cash outflow from investing activities</b>		<b>(1,109)</b>	<b>(211)</b>
<b>Cash flows from financing activities</b>			
Revenue – grant-in-Aid		6,041	5,721
Capital – grant-in-Aid		1,031	202
<b>Total financing</b>		<b>7,072</b>	<b>5,923</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>(216)</b>	<b>43</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>959</b>	<b>917</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>743</b>	<b>960</b>

The notes on pages 162 to 188 form an integral part of the accounts.

## Statement of changes in taxpayers' equity for the year ended 31 March 2021

	General reserve £000s	Revaluation reserves £000s	Total reserves £000s
<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>
<b>Balance at 1 April 2020</b>	<b>(298)</b>	<b>3</b>	<b>(294)</b>
Net operating cost	(6,226)	–	(6,226)
Net loss on revaluation of intangible assets	–	(2)	(2)
Grant-in-aid	7,072		7,072
Payment to consolidated fund	–		–
<b>Balance at 31 March 2021</b>	<b>548</b>	<b>1</b>	<b>549</b>

The notes on pages 162 to 188 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 2020-21 FReM issued by HM Treasury. The accounting policies contained in the FReM apply to International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the GLAA for the purpose of giving a true and fair view has been selected. The policies adopted by the GLAA for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### Reporting entity name

The Gangmasters and Labour Abuse Authority.

### Accounting convention

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

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

## **Basis of accounts preparation**

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

The financial statements are prepared in accordance with regulation S9 of the Gangmasters (Licensing Authority) Regulations 2015 and directions made thereunder by the Secretary of State, reporting the state of the GLAA's affairs as at 31 March 2021 and its financial position for the year.

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

Any events that would impact on these accounts after the 31 March 2021 are stated in note 15 on page 188.

## **Going concern**

The GLAA has received confirmation of its proposed funding levels for 2021-22, 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.

Following a consultation in 19-20, the government has announced its intention to create a SEB to enforce employment standards.

It is expected that when the single agency is created that this will 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 creation of the new body is being led by BEIS, and the timetable has yet to be confirmed.

## **Grant in Aid**

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

## **Segmental reporting**

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

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



## Income

### Revenue: contracts with customers

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

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

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

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

As application inspection payments and licence fees are both received in advance, these funds are held as

contract liabilities until the performance obligation is met or refunds are made.

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

## **Payables**

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

## **Accruals**

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

## **Financial assets and liabilities**

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

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

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:

<u>Fixtures and fittings</u>	<u>1-7 years</u>
<u>Plant and machinery</u>	<u>1-5 years</u>
<u>Information technology</u>	<u>2-10 years</u>

## 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:

<u>Software licence</u>	<u>2-5 years</u>
<u>Information technology</u>	<u>2-10 years</u>

## Intangible assets

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

## Assets under construction

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

## Cash

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

## Leases

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

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

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

## Employee benefits

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

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

## Pension costs

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

Past and present employees of the GLAA are covered by the provisions of the PCSPS and alpha. The scheme is a defined benefit scheme and liability rests with the scheme and not the GLAA. Benefits are paid from the Civil Superannuation Vote, to which the GLAA makes

contributions calculated to cover accruing pension entitlement for staff employed. Statements of account for the scheme are provided by the Cabinet Office Civil Superannuation Resource Account. The PCSPS pension scheme undergoes a reassessment of the contribution rates by the Government Actuary at four-yearly intervals. In respect of defined contribution schemes, the GLAA recognises the contributions payable for the year.

Full details can be found on pages 117 to 143 of the Remuneration and Staff Report.

## **Provisions**

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

## **Estimates and judgements**

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

## **Value Added Tax**

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

## **Domicile status**

The GLAA principal place of business is Nottingham, England.

## **Accounting changes**

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

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

The full impact of the introduction of this standard will require assets and liabilities to be increased by the same amount, as operating leases will be treated in the same way as finance leases.

The total value of operating leases is disclosed in note 14 under, these do not assume that break lease clauses will be triggered, so there would be no increase in value of these of leases under the new standard.



## **2. Statement of operating costs by operating segment**

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

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

Function	2020-21			2019-20		
	Licensing £000s	Enforcement £000s	Total £000s	Licensing £000s	Enforcement £000s	Total £000s
<b>Expenditure</b>						
Staff costs	(1,458)	(3,874)	(5,332)	(1,469)	(3,796)	(5,265)
operating expenditure	(615)	(1,428)	(2,043)	(714)	(1,769)	(2,483)
<b>Total</b>	<b>(2,073)</b>	<b>(5,302)</b>	<b>(7,375)</b>	<b>(2,183)</b>	<b>(5,565)</b>	<b>(7,748)</b>
<b>Income</b>						
Licensing	1,052	–	1,052	1,006	–	1,006
Other	–	97	97	–	106	106
<b>Total</b>	<b>1,052</b>	<b>97</b>	<b>1,149</b>	<b>1,006</b>	<b>106</b>	<b>1,112</b>
<b>Net income/ (expenditure)</b>	<b>(1,021)</b>	<b>(5,205)</b>	<b>(6,226)</b>	<b>(1,177)</b>	<b>(5,459)</b>	<b>(6,636)</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

	2020-21		2019-20	
	Permanently employed staff £000s	Other/ temporary £000s	Permanently employed staff £000s	Other/ temporary £000s
Staff salaries including PRP	3,772	134	3,931	2
Employee benefits as per IAS 19	37	–	(8)	–
Social security costs	422	16	424	–
Pension service costs	911	40	916	–
<b>Total</b>	<b>5,142</b>	<b>190</b>	<b>5,263</b>	<b>2</b>

	2020-21 Total £000s	2019-20 Total £000s
Travel and subsistence	115	405
Information technology	941	574
Marketing	15	4
Depreciation	320	328
Amortisation	75	78
Legal Costs	4	151
Recruitment	3	3
Accommodation	226	115
Training	20	32
Interpreters	41	39
External Auditors	35	38
Stationery/postage	20	6
Board expenses	–	4
Restructuring and contractors	92	610
Other	136	96
<b>Total</b>	<b>2,043</b>	<b>2,483</b>

Travel and subsistence expenses reduced in 20-21 due to the impact of the pandemic. GLAA also had restructuring and contractors' costs in 2019-20, which were one off and associated with specific pieces of work.

## 4. Revenue from Contracts with Customers

	2020-21 £000s	2019-20 £000s
Additional enforcement income from Department of Agriculture, Environment and Rural Affairs (DAERA), for regional food activity	100	100
Other income	(3)	6
<b>Total</b>	<b>97</b>	<b>106</b>

The other income figure relates to debtors that were written off in year.

## 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 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:

### As at 31 March 2021

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

### As at 31 March 2020

	Licences issued/renewed	Licence applications cancelled	Licence applications refused	Licences revoked	Recognised £000s
Horticulture, agriculture, and shellfish	1,049	79	15	23	760

## Application inspections

Application inspection income is based on gross annual turnover within the sector, as identified in the table above. In 2020-21 inspection income was £304,000 (£246,000 2019-20).

## 6. Property, plant and equipment

2020-21	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 2020</b>	41	1,568	112	-	1,721
Additions	-	38	-	-	38
Disposal	-	-	-	-	-
Adjustment		(8)	(11)		(19)
<b>At 31 March 2021</b>	41	1,598	101	-	1,740
<b>Depreciation:</b>					
<b>At 1 April 2020</b>	27	481	69	-	577
Charge for the period	7	309	4	-	320
Disposal	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 31 March 2021</b>	34	790	73	-	897
<b>Net book value:</b>					
<b>At 31 March 2021</b>	7	808	28	-	843
<b>At 31 March 2020</b>	14	1,087	43	-	1,144
<b>Asset financing</b>					
Net book value owned as at 31 March 2021	7	808	28	-	843
Net book value leased as at 31 March 2021	-	-	-	-	-
<b>Carrying amount at 31 March 2021</b>	7	808	28	-	843

2019-20	Plant and machinery total	Information technology Total	Fixtures and fittings total	Assets under construction total	GLAA total
	£'000s	£000s	£000s	£000s	£000s
<b>Cost or valuation:</b>					
<b>At 1 April 2019</b>	41	1,538	112	-	1,691
Additions	-	30	-	-	30
Disposal	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 31 March 2020</b>	41	1,568	112	-	1,721
<b>Depreciation:</b>					
<b>At 1 April 2019</b>	20	173	56	-	249
Charge for the period	7	308	13	-	328
Disposal	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 31 March 2019</b>	27	481	69	-	577
<b>Net book value:</b>					
<b>At 31 March 2020</b>	14	1,087	43	-	1,144
<b>At 31 March 2019</b>	21	1,365	56	-	1,442
<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>	14	1,087	43	-	1,144



## 7. Intangible assets

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

<b>2019-20</b>	<b>Software licence £000s</b>	<b>Assets under construction £000s</b>	<b>GLAA total £000s</b>
<b>Cost or valuation:</b>			
<b>At 1 April 2019</b>	<b>2,179</b>	<b>-</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>-</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 2019</b>	<b>90</b>	<b>171</b>	<b>261</b>
At 31 March 2018	157	-	157

The carrying amount of the intangible fixed assets had the revaluation not occurred is £12,000 (£86,000 2019-20). Additions in 2020-21 included accruals of £183,000 (£75,000 in 2019-20).

Disposals made in year were as a result of a management review which identified items no longer in use.

The net book value of LAWS was £12,000 (£90,000 2019-20).

## 8. Trade receivables, financial and other assets

	2020-21 £000s	2019-20 £000s
<b>Trade receivables:</b>		
Trade receivables	(21)	(5)
<b>Other receivables:</b>		
Prepayments and accrued income	228	169
Other receivables	–	4
<b>Total</b>	<b>207</b>	<b>168</b>

## 9. Cash and cash equivalents

	2020-21 £000s	2019-20 £000s
Balance at 1 April	960	917
Net change in cash and cash equivalent balances	(217)	43
<b>Balance at 31 March</b>	<b>743</b>	<b>960</b>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	743	960
<b>Balance at 31 March</b>	<b>743</b>	<b>960</b>

## 10. Trade payables and other current liabilities

	2020-21 £000s	2019-20 £000s
<b>Amounts falling due within one year</b>		
Other taxation and social security	17	15
Trade payables	2	517
Accruals	2,033	1,877
Contract liabilities	449	401
<b>Total</b>	<b>2,501</b>	<b>2,810</b>

£183,000 (£314,000 2019-20) of the accruals relate to capital and more information can be found in notes 6 and 7 on pages 179 to 182.

## 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.

	2020-21		
	Server Room decommissioning £000s	Legal £000s	Total £000s
Balance as at 1 April 2020	17	–	17
Provided in the year	–	–	–
Provisions not required written back	–	–	–
Provisions utilised in the year	–	–	–
Unwinding of discount	–	–	–
<b>Balance at 31 March 2021</b>	<b>17</b>	<b>–</b>	<b>17</b>

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

## 12. Capital commitments

	2020-21 £000s	2019-20 £000s
Contracted capital commitments at 31 March 2020 not otherwise included in these accounts:		
New Licensing system	121	569
<b>Total</b>	<b>121</b>	<b>569</b>

## 13. Commitments under leases

	2020-21			2019-20		
	Buildings £000s	Vehicles £000s	Other £000s	Buildings £000s	Vehicles £000s	Other £000s
Not later than 1 year	106	103		107	103	–
Later than 1 year and not later than 5 years	409	–		414	103	–
Later than 5 years	365	–		465	–	–
<b>Total</b>	<b>880</b>	<b>103</b>		<b>986</b>	<b>206</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. 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 160.

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 143. Payment to senior managers has been disclosed as part of the Remuneration and Staff Report on page 127 to 130.

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.

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

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

The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General's audit certificate on pages 147 to 157.





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