

Gangmasters and Labour Abuse Authority

An inspection of the use of investigative powers by the
Gangmasters and Labour Abuse Authority

April 2019

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ISBN: 978-1-78655-785-8

www.justiceinspectors.gov.uk/hmicfrs

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Summary

Introduction

Established in 2005, the Gangmasters Licensing Authority's role was to operate a statutory licensing scheme, regulating businesses that supply workers to the agriculture, horticulture, shellfish-gathering, and associated processing and packaging industries.

In 2016, the Gangmasters Licensing Authority was renamed the Gangmasters and Labour Abuse Authority (GLAA). It received additional statutory powers and increased resources.

In 2017, new legislation came into force, making available to the GLAA certain modified powers under the Police and Criminal Evidence Act 1984 to enable it to investigate labour market offences. Specially trained GLAA officers can be authorised by a Secretary of State to act as "labour abuse prevention officers" (LAPOs).

When investigating labour market offences, GLAA officers acting as LAPOs have powers like (but not the same as) those held by the police. For example, LAPOs can make arrests, obtain search warrants, enter private property, search people and premises, or seize items of evidential value.

Because the LAPOs' powers are similar to police powers, the authorisation was conditional on the GLAA's agreement to voluntary inspections by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), until such time that these inspections are put onto a statutory footing.

Terms of reference

Our terms of reference were to examine whether the GLAA is making good use of its new powers, by considering five questions:

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

Methodology and the timing of our inspection

Our inspection took place during a period of leadership instability at the GLAA. It followed the unexpected death in December 2017 of the chief executive and coincided with the departure in October 2018 of an interim chief executive, prior to the arrival of a new permanent appointee (who subsequently took office in December 2018).

We visited the GLAA's headquarters in Nottingham. We obtained a comprehensive briefing, observed management meetings, interviewed senior leaders and supervisors, and held focus groups with LAPOs and other staff. We analysed documents and data which the GLAA had given to us.

Findings

Sufficient numbers of staff have been adequately trained and, with 36 LAPOs, the GLAA has exceeded the Home Office's expectation, but there are unresolved issues over the legislative framework within which they work. After our inspection, the Government announced that it will consult on proposals for the creation of a single enforcement body. The proposals affect the GLAA and two related bodies, the Employment Agency Standards Inspectorate and the National Minimum Wage Team. It would be helpful if the consultation process were to include careful consideration of the unresolved issues concerning the legislation.

Some GLAA systems and processes worked well and enabled the GLAA to use its powers, particularly the intelligence and tasking process, but others did not work well. Computer systems, capacity in the investigation management unit, some staff-related policies and administrative processes all need attention.

With the support of the police and the National Crime Agency, the GLAA has access to most of the capabilities it needs, but there are gaps: short term storage of exhibits; remote working; access to the Crown Prosecution Service; financial intelligence and investigation; and victim care. Some of these gaps are already being addressed; others need to be.

The GLAA's strategy, of recruiting experienced former police officers and giving them the training they need, has produced a LAPO team which acts confidently. Positive feedback from their supervisors and the absence of formal complaints or problems with GLAA arrests are good indicators that they act fairly.

Appropriate internal governance and supervision arrangements are in place, but LAPO performance at this stage is hard to judge. We would expect to see an upward trend in the number of cases progressing to court in the forthcoming months.

Conclusions

The GLAA has done remarkably well in assembling and deploying its LAPOs effectively in a relatively short space of time. This is of notable credit to the late chief executive, the interim chief executive and all those who worked hard to create the conditions which have enabled this success.

The energy which went into getting the LAPO team up and running now needs to be followed up with a broader focus on organisational development.

The leadership team is already attending to many of the issues we raise in our report. But it is trying to do so while meeting a broad range of other demands outside the scope of our inspection.

We believe a fresh approach to organisational development is advisable. It would help to secure good progress and give the new chief executive a template on which to add his influence.

Recommendation

By 31 May 2019, the GLAA should create an organisational development action plan, with milestones, deadlines, and responsibilities for specific actions allocated to named individuals. Performance should be regularly scrutinised in detail by the GLAA Board.

1. Introduction

Background

From Gangmasters Licensing Authority to Gangmasters and Labour Abuse Authority

In 2005, the Gangmasters Licensing Authority was created. Its role was to operate a statutory licensing scheme, regulating businesses that supply workers to the agriculture, horticulture, shellfish-gathering, and associated processing and packaging industries.¹

The Gangmasters Licensing Authority was responsible for issuing and revoking licences. It also carried out criminal investigations into offences concerned with the licensing scheme, such as unlicensed gangmasters supplying workers, or businesses using workers from an unlicensed source.

On 12 July 2016, the Gangmasters Licensing Authority was renamed the Gangmasters and Labour Abuse Authority (GLAA) and given an expanded role.² It received additional statutory powers and £4.5m extra funding, which increased its complement of staff from 72 to 130.³ Its net revenue budget for 2018/19 is £6.5m.

The GLAA is a non-Departmental public body, led by a chief executive and governed by an independent non-executive board, under Home Office sponsorship.

The GLAA holds the regulatory responsibility for operating the statutory licensing scheme. Also, with its additional powers, the GLAA carries out criminal investigations into offences connected with other forms of labour abuse and modern slavery⁴ where worker exploitation is involved. For example, offences may be found in the textiles and construction industries, car washes, nail bars and

¹ See: [Gangmasters and Labour Abuse Authority website](#).

² By virtue of section 10 of the Immigration Act 2016. The Government's Explanatory Notes on Lords Amendment 23 to the Bill for this Act included the explanation that the name change "seeks to reflect the changing and broader functions of the Gangmasters Licensing Authority and the shift from a role purely concerned with licensing gangmasters to one that encompasses greater enforcement powers across a wider range of offences." See: [Immigration Bill: Explanatory Notes on Lords Amendments](#), page 3.

³ The additional statutory powers came into force on 30 April 2017. The extra funding was £2.5m in 2017/18 and £2m in 2018/19.

⁴ Modern slavery is an umbrella term encompassing slavery, servitude, forced or compulsory labour and human trafficking.

other businesses.⁵ Links between labour abuse, modern slavery and organised crime are not uncommon.

The GLAA's position in the wider landscape of labour market enforcement

The GLAA works with two other organisations, each under a different Government department, with responsibilities to tackle labour market abuse. These organisations are:

- the National Minimum Wage Team – this team is responsible for tackling the most serious cases of non-compliance with national minimum wage (including national living wage) legislation. It is a part of Her Majesty's Revenue & Customs.⁶
- the Employment Agency Standards Inspectorate – this inspectorate works with recruitment agencies, employers and workers to uphold employment rights, particularly for vulnerable agency workers. It is a part of the Department for Business, Energy & Industrial Strategy.⁷

The three organisations work together under a strategy⁸ provided by the Director of Labour Market Enforcement, a statutory public office holder whose role is jointly sponsored by the Home Office and the Department for Business, Energy & Industrial Strategy.⁹

⁵ These involve allegations of labour abuses as defined in section 3(3) of the Immigration Act 2016, which include offences in the: Gangmasters (Licensing) Act 2004; Employment Agencies Act 1973; National Minimum Wage Act 1998; and Parts 1 and 2 of the Modern Slavery Act 2015.

⁶ See: [National Minimum Wage law: Enforcement: Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who break National Minimum Wage law](#), Department for Business, Energy & Industrial Strategy, November 2017, paragraph 1.4.

⁷ [Employment Agency Standards inspectorate \(EAS\): Enforcement policy statement](#), Department for Business, Energy & Industrial Strategy, June 2017, page 3.

⁸ [United Kingdom Labour Market Enforcement Strategy 2018/19](#), Director of Labour Market Enforcement, May 2018.

⁹ The role was created under the Immigration Act 2016. The GLAA must carry out its functions “in accordance with the strategy”, whereas the other bodies must “have regard to” the strategy. See section 1(3A) of the Gangmasters Licensing Act 2004 (inserted by Schedule 3 paragraph 15(C) of the Immigration Act 2016).

New powers for labour abuse prevention officers

- On 30 April 2017, new legislation came into force, the effect of which was to make available to the GLAA a range of powers which are similar to, but not the same as, those used by the police.¹⁰ The powers appear in the Police and Criminal Evidence Act 1984 (widely known as “PACE”). GLAA officers who have been specially trained and authorised by the Home Secretary can act as “labour abuse prevention officers” (LAPOs).¹¹

Once authorised, GLAA officers have certain powers when investigating labour market offences, such as making arrests, obtaining search warrants, entering private property, searching people and premises, or seizing items of evidential value. An extract from the relevant statutory instrument, which lists the full range of PACE powers available to LAPOs, appears at Annex A.

Terms of reference

Because the LAPOs’ powers are similar to those held by the police, the authorisation was conditional on the GLAA’s agreement to voluntary inspections by Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), until such time that these inspections are put onto a statutory footing.¹²

The terms of reference for our inspection of the GLAA were designed around a ‘headline’ question and a series of ‘diagnostic’ questions. We designed the terms of reference in consultation with the GLAA and the Home Office.

Headline and diagnostic questions

The headline question was:

- Is the GLAA making good use of its investigatory powers of entry, search and arrest?

¹⁰ Section 114B of the Police and Criminal Evidence Act 1984 (inserted by section 12(1) of the Immigration Act 2016) [which came into force on 12 July 2016] and The Police and Criminal Evidence Act 1984 (Application to Labour Abuse Prevention Officers) Regulations 2017/520 [which came into force on 30 April 2017].

¹¹ The Home Secretary’s authorisation was set out in a letter dated 28 April 2017 to the Chair of Gangmasters and Labour Abuse Authority. A similar authorisation was given by the Business, Energy & Industrial Strategy Secretary in a letter dated 30 April 2017. The letters are reproduced at Annexes 2 and 3 to the GLAA Framework Agreement. See [Framework Agreement](#), Home Office and Gangmasters and Labour Abuse Authority, August 2018.

¹² *Ibid.*, page 13, paragraph 7.6 and Annex 5.

To answer the headline question, the diagnostic questions were:

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

Methodology

In June 2018, we visited the GLAA's headquarters in Nottingham where we obtained a comprehensive briefing on relevant aspects of the GLAA's operations and observed a management meeting. We then analysed documents and data which the GLAA had given to us.

In October 2018, we visited the GLAA headquarters again. We interviewed the interim chief executive officer, other senior leaders and supervisors. We held focus groups with LAPOs, compliance officers and enforcement officers (two other cadres of the GLAA's frontline operational personnel, who carry out licensing functions). We also made further enquiries with the Home Office, the Department for Business, Energy & Industrial Strategy and the Independent Office for Police Conduct.

Scotland and Northern Ireland

The GLAA has certain statutory functions in Scotland and Northern Ireland.¹³ However, they are narrower in scope than those the GLAA has in England and Wales. Although they include the investigation of certain criminal offences, the GLAA does not hold investigatory powers (of arrest, entry and search etc.) in Scotland and Northern Ireland. Consequently, we did not inspect the GLAA's operations there.

¹³ In Scotland and Northern Ireland, they include the investigation of alleged offences under the Gangmasters (Licensing) Act 2004 but not the labour abuse offences found in other legislation.

GLAA leadership and the timing of our inspection

In December 2017, eight months after the GLAA obtained its LAPO powers, the organisation entered a period of uncertainty when – tragically – the chief executive took his own life. An interim chief executive led the organisation between April and October 2018. His departure coincided with the timing of our inspection. As our fieldwork ended, the GLAA Board had just completed the selection process for recruitment of a new permanent chief executive and was making arrangements for another period of interim leadership prior to his arrival.¹⁴

¹⁴ The new chief executive was appointed on 12 December 2018.

2. Findings

Have sufficient numbers of staff been adequately trained to make use of these powers?

Main finding

Sufficient numbers of staff have been adequately trained and, with 36 LAPOs, the GLAA has exceeded the Home Office's expectation, but there are unresolved issues over the legislative framework within which they work.

Numbers of staff

Prior to the GLAA's creation, the Government's expectation was that 24 LAPOs would be recruited from April 2017.¹⁵

We established that, between July 2016¹⁶ and September 2018, the GLAA carried out seven LAPO recruitment and training exercises; interviewees reported a major recruitment drive from April 2017.

The GLAA's efforts have been successful and they have exceeded the Government's expectation. As at 31 July 2018, there were 36 LAPOs trained, and authorised by the Secretary of State to use PACE powers.¹⁷ This is not to say that we consider the GLAA's resources adequate to deal comprehensively with the full extent of labour abuse, or those forms of modern slavery which the GLAA is responsible for dealing with. A 2013 estimate suggested there were 10,000 to 13,000 potential victims of modern slavery in the United Kingdom (although the GLAA is not responsible for tackling all forms of modern slavery) and there are over 1,000 licensed gangmasters.¹⁸ So the GLAA's resources appear as stretched as those in other public services.

¹⁵ Email dated 15 December 2016 from Home Office official to GLAA Chief Executive Officer.

¹⁶ In July 2016, six members of the Gangmasters Licensing Authority staff were trained as LAPOs in preparation for the new powers becoming available. At the time, the Gangmasters Licensing Authority anticipated the powers becoming available from October 2016. In the event, the powers did not become available until April 2017.

¹⁷ Source: data supplied to HMICFRS by the GLAA on 20 August 2018. Of the 36 LAPOs, six were not authorised by the GLAA Chief Executive Officer to use handcuffs, usually because they had not carried out the required training or a previous authorisation had lapsed and they were awaiting refresher training.

¹⁸ [2017 UK Annual Report on Modern Slavery](#), HM Government, Department of Justice Northern Ireland, Scottish Government and Llywodraeth Cymru Welsh Government, October 2017, page 4.

Training and guidance

It was the Home Office's intention that the LAPOs' authorisation by the Secretary of State would be subject to them being trained in the use of their PACE powers to the College of Policing's standards.¹⁹

The majority of those recruited to perform the LAPO role are former police officers with decades of police service behind them. Consequently, they were already trained and experienced in the use of police powers when they joined the GLAA and did not require extensive training in the relevant sections of PACE. However, they needed an appreciation of those sections which were not available to LAPOs, or available in modified form. Those sections are covered in a one-hour session on PACE powers in the GLAA's induction course. Training was initially provided through an arrangement with Lincolnshire Police and an external contractor. Latterly, the GLAA developed an 'in-house' training capability.

We were shown examples of training material which set out the relevant legislation for LAPOs. These had been prepared by the Head of Training. The College of Policing was not involved in their preparation and has not accredited the GLAA's training. No concerns were raised in this respect and the material appeared fit for purpose.

As part of the induction course, the GLAA also provided training in other relevant areas such as intelligence handling, tasking, enforcement, and disclosure (including knowledge checks).

For the continued professional development of its staff, the GLAA is planning to focus on improving the quality of interviews and statement taking. It is also planning to improve the training it provides to LAPOs in the use of its digital investigation management system. This is an appropriate response to shortcomings it has identified in some investigations.

The legislation and its interpretation

A recurring theme of concern from interviewees was that the legislation (or, importantly, some interviewees' interpretation of the legislation) appears to place constraints on LAPOs, some of which they saw as unnecessary. We learned that these legislative constraints had been a topic of debate between the Home Office and the GLAA since 2016, and there had been concerted attempts to clarify matters. In our view, despite these attempts, matters have not been satisfactorily resolved.

We were shown various documents, produced by the Home Office and the GLAA, which set out the Ministerial policy intent behind the legislation, practical guidance on how to apply the legislation and the GLAA's interpretation of the effect of

¹⁹ *Explanatory memorandum to the Police and Criminal Evidence Act 1984 (Application to Labour Abuse Prevention Officers) Regulations 2017*, Home Office, page 4, paragraph 9.1.

certain provisions. In interviews, we heard examples where GLAA officers trained and authorised to act as LAPOs considered the limitations on their powers to create unhelpful and unnecessary delays, some of which may have created the risk of loss of evidence.

The GLAA's concerns centred on the following areas:

- a constraint on LAPO-trained GLAA officers who, when acting in a compliance or enforcement capacity (using licensing powers rather than PACE powers), may unexpectedly come across wider labour market offences requiring the exercise of PACE powers, which they cannot exercise there and then;²⁰
- when investigating wider labour market offences and planning to enter premises under PACE to seize employment records (which may be treated as special procedure material²¹), a requirement on LAPOs, in common with a requirement on the police, to apply for Crown Court warrants rather than Magistrates' Court warrants which would otherwise be available to GLAA officers utilising powers under the Gangmasters (Licensing) Act 2004 when investigating licensing offences;²² and
- the removal from the GLAA of investigative powers it held briefly under an interim arrangement (between 23 December 2016 and 30 April 2017) to carry out investigations into offences usually – but not exclusively – dealt with by the National Minimum Wage Team and the Employment Agency Standards Inspectorate. As we understand it, the interim arrangement was made to enable the GLAA to make applications for labour market enforcement undertakings and orders, in advance of its PACE powers

²⁰ Section 16(1) of the Gangmasters (Licensing) Act 2004 provides GLAA officers with the power to enter business premises and examine relevant records. From time to time, such activity may reveal offences, which the GLAA officer will then wish to investigate, seizing evidence as necessary. However, if the GLAA officer is a LAPO, they may not do so. This constraint is created by section 16(A1) of the Gangmasters (Licensing) Act 2004 (inserted by Schedule 3, paragraph 21 of the Immigration Act 2016).

²¹ Special procedure material is defined in section 14 of PACE. The definition includes material acquired or created in the course of "any trade, business, profession or other occupation". It has been taken to include employment records.

²² Section 17(1) of the Gangmasters (Licensing) Act 2004 enables a justice of the peace to issue a warrant "to enter relevant premises for the purpose of ascertaining whether there has been any contravention of section 6 (prohibition of unlicensed activities)". Section 17(2)(c) allows a GLAA enforcement officer to "take possession of any book, document, data, record" [which has been taken to include employment records]. Section 17(A1) of the Gangmasters (Licensing) Act 2004 (inserted by Schedule 3, paragraph 22 of the Immigration Act 2016) states "This section does not apply to an enforcement officer who is acting for the purposes of this Act ... if the officer is a labour abuse prevention officer".

coming into force. Once the PACE powers came into force, they provided for the GLAA to make such applications.²³

We learned that the legislation had been carefully drafted to preclude GLAA officers from using licensing and PACE powers at the same time, but it may have had other consequences too.

It was beyond the scope of our inspection to carry out a thorough analysis of the legislation to determine whether: the constraints are a matter of construct or interpretation; the regularity with which each constraint was encountered; and their effect on the GLAA's efficiency and effectiveness. But we believe such an analysis is needed.

At the very least, an analysis of this nature would help to inform any changes to the GLAA's employment strategy and operating model, as it would largely determine whether the GLAA should maintain separate LAPO, licensing compliance, and licensing enforcement teams, or merge the teams into a multidisciplinary workforce. In an organisation the size of the GLAA, a multidisciplinary workforce may be the better option in the interest of operational flexibility and resilience; it is only feasible if it is compatible with the legislation. Our call for further analysis of the legislation is broadly within the scope of a wider recommendation to clarify the role and powers of LAPOs, which appears in the *United Kingdom Labour Market Enforcement Strategy 2018/19*.²⁴

More significantly, since our fieldwork ended, wider proposals involving the GLAA were announced.

Proposals for a new, single labour market enforcement agency

In December 2018, as part of its response to an independent review²⁵ of modern working practices, the Government set out its intention to bring forward proposals in early 2019 for a new, single labour market enforcement agency.²⁶ This would include the GLAA, the Employment Agency Standards Inspectorate and the National Minimum Wage Team. We believe it would be helpful if the consultation process for these proposals were to include careful consideration of the issues reflected in this report, concerning the legislation.

²³ Offences under the National Minimum Wage Act 1998 and offences under the Employment Agency Act 1973.

²⁴ [United Kingdom Labour Market Enforcement Strategy 2018/19](#), Director of Labour Market Enforcement, May 2018, recommendation 18, page 66.

²⁵ [Good Work: The Taylor Review of Modern Working Practices](#), Matthew Taylor, July 2017.

²⁶ [Good Work Plan](#), HM Government, December 2018, page 42.

Do GLAA systems and processes enable the use of investigative powers?

Main finding

Some GLAA systems and processes worked well and enabled the GLAA to use its powers, particularly the intelligence and tasking process, but others did not work well. Computer systems, capacity in the investigation management unit, some staff-related policies and administrative processes all need attention.

The volume of work

Between 01 May 2017 and 31 July 2018, the GLAA executed 139 search warrants and its LAPOs made 44 arrests.²⁷ The GLAA was also an active participant in a range of police and other agency-led operations which resulted in a further 69 arrests. As at September 2018, the GLAA had 135 criminal investigations underway.²⁸ Much of this work is carried out on an intelligence-led basis.

Intelligence and tasking processes

The GLAA has successfully adapted the intelligence processes previously operated by the Gangmasters Licensing Authority, to make them suitable for law enforcement and regulatory purposes. The GLAA now receives a substantial volume of intelligence from a wide range of sources (5,386 reports between May 2017 and July 2018). A significant proportion came from its intelligence, enforcement and LAPO teams, but police forces, local authorities and other bodies were major contributors too, along with potential victims and other members of the public.

We were particularly encouraged to see regular intelligence reporting to the GLAA by labour providers and users. The GLAA is an active member of the Government Agency Intelligence Network.²⁹ We were pleased to learn that the GLAA is making arrangements for access to the Police National Database and is carrying out technical testing for access to the National ANPR Data Centre.³⁰

²⁷ Source: GLAA data supplied to HMICFRS on 3 September 2018.

²⁸ *Ibid.*

²⁹ See [Serious and Organised Crime Strategy](#), HM Government, November 2018, paragraph 85 and Annex A.

³⁰ Automatic Number Plate Recognition. See [ANPR NADC](#), Home Office.

There is likely to be relevant intelligence held by other bodies³¹ which would be of value to the GLAA, and vice versa. Again, we were encouraged to learn that the GLAA is planning to strengthen its intelligence-sharing arrangements with the National Minimum Wage Team and the Employment Agency Standards Inspectorate, through the Information Hub which is being developed by the Director of Labour Market Enforcement.³²

There is a well-defined system for processing and developing intelligence, a comprehensive risk matrix and a good triage system in use, which enabled the prompt identification of vulnerable victims and urgent action to safeguard them. We found the tasking processes gave the senior investigating officers³³ a stream of appropriate work for the LAPOs, albeit that there was some evidence of self-tasking outside the appropriate structure. This should be discouraged. The tasking and coordination group meetings were used as an appropriate forum to hold managers to account.

Some interviewees suggested that closer consultation between intelligence staff and investigators would at times be beneficial, particularly in instances where victims may remain at risk while intelligence is being developed before an investigation is launched. It was also suggested (but not universally agreed among interviewees) that the intelligence was not always disseminated as promptly as it should be. We were unable to reach an informed judgment. This was because the GLAA's information systems were not configured in a way that could readily provide data to determine the average time between the receipt of intelligence and its dissemination or filing.

Some LAPOs suggested that the processes for engaging intelligence support – for matters such as open source intelligence or police national computer checks – were unnecessarily complicated. We agree.³⁴

³¹ Specifically: the National Minimum Wage Team; other parts of Her Majesty's Revenue & Customs; the Department for Work and Pensions; the National Crime Agency; and local authorities.

³² [United Kingdom Labour Market Enforcement Strategy 2018/19](#), Director of Labour Market Enforcement, May 2018, page 71, paragraph 3.8.

³³ There are four senior investigating officers, each responsible for investigations in a specific region. The senior investigating officers have powers similar to those held by police inspectors e.g. to authorise searches of detainees' premises under section 18 of PACE.

³⁴ Requests for PNC checks involved completion of an application form; this is not the norm in police forces and, as long as the requirements of the relevant PNC codes (for access, security, audit etc.) are met, we do not believe an application form for each check is necessary.

Investigation management system

The GLAA uses a computerised investigation management system. Some users suggested that the way in which the system was configured left too much room for user error, and that this weakness is exacerbated by insufficient training for new users. We were told about various examples, from minor (but time-consuming to rectify) administrative errors to more serious matters such as insufficient clarity over the status of material for disclosure purposes.³⁵

Digital systems integration

In addition to the investigation management system, the GLAA also uses an intelligence system and a licensing and workflow system. Users said that these systems are not well integrated (a common problem across the police service too). Consequently, there is some requirement for double-keying. Also, we were informed of a small number of cases where there was inadequate coordination between LAPO-led criminal investigations and licensing enforcement activity against the same individuals.³⁶ This is symptomatic of the weak state of systems integration; IT-related issues feature prominently on the GLAA's corporate risk register.

Investigation management unit

The GLAA has established an investigation management unit, the responsibility of which is to support investigations. The staff prepare and quality-assure case files, act as exhibit officers etc. However, we found that the unit's capacity was largely devoted to rectifying avoidable errors on the investigation management system and providing other administrative support, such as booking hire cars. Capacity problems meant that quality assurance work was not taking place as early in the investigations as the unit would have wished. This created added pressure when problems were found with little time left to deal with them as trial dates loomed.

³⁵ Disclosure problems are widely found in police forces and other law enforcement bodies too. For example, see: [State of Policing: The Annual Assessment of Policing in England and Wales 2017](#), Her Majesty's Chief Inspector of Constabulary, 2018, page 23.

³⁶ In one instance, urgent arrangements had to be made to revoke a gangmaster's licence as his trial for labour abuse offences was about to start.

Travel and subsistence policy

A number of LAPOs reported their frustration at how the GLAA's travel and subsistence policy was framed and operated in a manner more suited to its regulatory work (usually planned well in advance and carried out on a 9–5 basis) than the wider law enforcement function (not always capable of being planned well in advance, often requiring work outside office hours and extended periods of duty). We heard examples of how advance approval had to be sought for relatively trivial matters, such as the purchase of screen wash additive for GLAA-provided vehicles and the use of the M6 toll road. In another instance, despite having been on duty for over 15 hours, an applicant's meal claim was rejected because the meal was bought within five miles of their home address (the applicant was working at a nearby police station).

We believe the policy, or the organisational culture associated with its operation, needs to change to reflect the working practices now in common use.

Overtime policy

It is not uncommon for LAPOs to work extended hours, particularly on days where enforcement operations take place. For example, the day may start with a journey to a briefing prior to search warrants being executed at, for example, 7.00am. This may lead to lengthy searches, seizure of a large volume of exhibits, multiple arrests and the recovery of victims.³⁷ When this happens, urgent investigative work will usually need to take place, resulting in LAPOs needing to work well beyond their usual contracted hours.

The GLAA's policy is that LAPOs may not be paid overtime. Instead, they keep a record of the additional hours worked, which they then use to take time off work when appropriate. The problem with this policy is that LAPOs tend to accrue a considerable entitlement to time off. Generally, LAPOs told us they were owed weeks rather than days (in one instance, more than three weeks). And this is of course in addition to their annual leave entitlement. In the long term, this policy may prove unsustainable.

³⁷ In a joint operation between the GLAA and Wiltshire Police in spring 2018, there were 32 potential victims identified. Source: GLAA Board Performance Report Apr–Jun 2018 (unpublished).

Interpreters

Another source of frustration for LAPOs (and other staff) was an overly cumbersome process for securing the services of interpreters, who are often needed as the GLAA's investigations frequently encounter foreign nationals. The process involves the LAPO seeking advance approval from the senior investigating officer (reasons for withholding approval are hard to imagine), emails to various parts of the GLAA, completion of forms requiring an estimate of the interpreter's mileage and fees, the use of a carbonated receipt book and a requirement to scan and email receipts to the investigation management unit. This process needs streamlining.

Does the GLAA have, or have access to, the capabilities (e.g. specialist equipment and training) it needs in order to make use of its powers?

Main finding

With the support of the police and the National Crime Agency, the GLAA has access to most of the capabilities it needs, but there are gaps: short term storage of exhibits; remote working; access to the Crown Prosecution Service; financial intelligence and investigation; and victim care. Some of these gaps are already being addressed; others need to be.

Reliance on the police

The GLAA relies on the police for various things, for example, detainee transport, police station custody facilities (including the use of equipment to collect biometric³⁸ information), crime scene forensic examinations (where required), and forcible access to heavily secured premises.

Many of the GLAA's enforcement activities are carried out in partnership with the police, and a range of other agencies. For the most part, this approach works well and LAPOs did not report any major problems. However, it was evident that LAPOs operated with the benefit of an extensive network of police contacts – their former colleagues.

Goodwill played a part, not just in helping the organisations work together effectively, but in enabling the GLAA to fulfil its statutory duties; one LAPO, when noting the absence of GLAA-produced paperwork to accompany search warrants, said “we borrow [the police's] literature to help us do our job.” Others made the valid point that, to secure police co-operation, especially access to police buildings, it would be helpful if LAPOs were issued with identity cards and badges that conveyed the

³⁸ Fingerprints, photographs and DNA.

nature of their role in a manner similar to police warrant cards. This might also help the public understand the nature of the LAPOs' role.

Exhibit storage

The GLAA has one office (in Nottingham) but its LAPOs, who are all home-workers, operate across England and Wales. When they seize evidence they often need somewhere secure to store it overnight, before it is transported to a central store. In practice, LAPOs often resort to storing exhibits overnight at home, which creates various risks in terms of security, defence challenges to evidential integrity and continuity and – potentially – officer safety. We were pleased to see that the GLAA is seeking to establish a formal agreement with the police for short-term exhibit storage at police stations and is providing LAPOs with secure storage cabinets for use at home.

There may be an opportunity for the GLAA to extend the scope of the formal arrangement with the police, to include all the other aspects of joint working which require mutual co-operation. We encourage the GLAA to consider creating a document for this purpose, perhaps drawing on the National Crime Agency's experience with its *Commitment to Working in Partnership with UK Operational Partners*.³⁹

Remote working

LAPOs can access the GLAA computer network while working from home (or when attending the GLAA headquarters in Nottingham), but not when working from police stations or elsewhere 'in the field'. Because of the nature of the role, which involves a high degree of mobility, we view this as an unacceptable limitation, which is likely to have an adverse effect on organisational efficiency. Some LAPOs also reported being unable to access an online portal used for search warrant applications.

Access to the Crown Prosecution Service

The GLAA's access to the CPS is through a national 'single point of contact'. This arrangement which – given the increase in criminal investigations – is no longer fit for purpose, was made between the Gangmasters Licensing Authority and the Crown Prosecution Service. We were pleased to see that the GLAA is seeking a new arrangement, for access on a regional basis, which should secure a closer working relationship between the two bodies and more prompt consideration of cases. LAPOs reported some long delays (nine months in one instance) between submission of files and receipt of CPS advice. This has an adverse effect on performance and may involve residual risk to victims.

³⁹ *The NCA Commitment to Working in Partnership with UK Operational Partners*, National Crime Agency, August 2015.

Financial intelligence and investigation

There is usually a strong financial motive behind labour abuse and modern slavery; LAPOs told us that it is not unusual for offenders to exhibit significant wealth.⁴⁰ This presents opportunities for the collection of financial intelligence, cash seizure, asset restraint and confiscation. However, the GLAA does not have an adequate capability to carry out financial investigations.⁴¹

The GLAA plans to train one member of staff from the investigation management unit as a financial investigator, and to seek the assistance of regional asset recovery teams for confiscation investigations.

Digital forensics

LAPOs often seize a range of digital devices during their investigations i.e.; mobile phones, computers, memory cards and USB sticks. The GLAA has created a dedicated capability for their examination, sensibly providing a basic service in-house while relying on police forces and other external providers for more complex work. The investigation management unit is equipped to download data from mobile phones and carry out triage (involving keyword searches) on computer hard drives and other storage media.

We learned that there is a small backlog of devices awaiting examination, but it is nowhere near the scale of the backlog we often find in police forces.⁴² Interviewees reported occasional difficulties when encountering digital material in foreign languages, for which interpreters could be in short supply or come at significant cost. There were also investigations (where searches had been carried out) where it was surprising to find that no devices had been seized. This might indicate a training issue for some LAPOs.

Victim care and the National Referral Mechanism

In July 2018, the GLAA adopted a comprehensive new victim care policy. The new policy sets out organisational expectations and the responsibilities of victim support officers.

The GLAA makes good use of the National Referral Mechanism (NRM), through which potential victims of modern slavery gain access to legal advice,

⁴⁰ The Gangmasters Licensing Authority previously reported finding criminal benefit in excess of £12m. See: [Annual Report and Accounts: 1 April 2015 to 31 March 2016](#), Gangmasters Licensing Authority, December 2016, pages 3 and 21.

⁴¹ There were instances where LAPOs had made use of production orders (issued under Schedule 1 of PACE), to obtain banking records, but they did not consider themselves adequately trained to analyse or interpret the content of the records.

⁴² [PEEL: Police effectiveness 2017 – A national overview](#), HMICFRS, March 2018, page 58.

accommodation, protection and emotional support. The service is provided by the Salvation Army and several subcontractors.⁴³ Between May 2017 and July 2018, the GLAA referred 55 cases.⁴⁴ This is a higher number than in previous years, but it does not represent a substantial increase.⁴⁵

LAPOs were generally satisfied with the service but reported a high level of disengagement by the GLAA's victim group. This happened either during the 45-day period for which the NRM provides support, or following the 45-day period when, in some instances, victims are voluntarily repatriated to their home country. We heard of cases where this happened without the LAPOs' knowledge, which must have been frustrating for them. In other instances, victims remained in the UK but – motivated by the desire to work – gravitated back to abusive labour conditions.⁴⁶

Generally, instances where victims disengage will radically reduce the likelihood of a successful prosecution. LAPOs and senior investigating officers felt the GLAA needed to use its new victim care policy to adopt a more systematic approach, with the aim of securing higher levels of victim cooperation. We agree, and would encourage the GLAA to implement robust internal governance systems to monitor compliance with the policy.

Witness Intermediaries

Because of the abuse they have suffered, and often language barriers, some of the GLAA's victim group are particularly vulnerable. Witness intermediaries are experienced professionals who work with victims, investigators and prosecutors to facilitate effective communication.⁴⁷ We found that the GLAA has good access to the service, which is provided through the National Crime Agency on behalf of the Ministry of Justice and the Crown Prosecution Service. However, HMICFRS has previously reported capacity problems with this service.⁴⁸

⁴³ See [National referral mechanism guidance: adult \(England and Wales\)](#).

⁴⁴ In the same period, the GLAA made a further 112 'duty to notify' submissions (which deal with the statutory requirement to inform the Home Office, even in instances where the potential victim does not want to be referred to the National Referral Mechanism). Source: GLAA and National Crime Agency data provided to HMICFRS on 3 September 2018.

⁴⁵ There were 18 referrals in 2013/14 and 38 referrals in 2014/15. Source: [Annual Report and Accounts: 1 April 2014 to 31 March 2015](#), Gangmasters Licensing Authority, July 2015.

⁴⁶ After the inspection, we were informed that changes had subsequently been made to the National Referral Mechanism. It was beyond the scope of our inspection to examine them.

⁴⁷ See: [What is an Intermediary?](#), Intermediaries for Justice.

⁴⁸ [National Crime Agency inspection: An inspection of the National Crime Agency's specialist operations centre, crime operational support and serious crime analysis section](#), HMICFRS, November 2017, page 13.

Video interviewing

To obtain the best quality evidence for use in criminal proceedings, the GLAA (in common with the police and other law enforcement bodies) records certain victim and witness interviews on video.⁴⁹ The police's specially equipped video interviewing suites are generally available to the GLAA for this purpose. However, these suites are often in great demand (for rape and child abuse investigations etc.), so the GLAA has bought four portable video recorders for use when dedicated interview suites (which are preferable to portable equipment) are already in use.

Does the GLAA act fairly but with confidence, using its powers only in cases where the use of such powers is necessary?

Main finding

The GLAA's strategy, of recruiting experienced former police officers and giving them the training they need, has provided a LAPO team which acts confidently. Positive feedback from their supervisors and the absence of formal complaints or problems with GLAA arrests are good indicators that they act fairly.

Confidence

The use of PACE powers will inevitably involve conflict from time-to-time; law enforcement officers need to feel confident enough to assert their authority in situations where their actions will be actively opposed by those under threat.

Previously, Gangmasters Licensing Authority officers were trained in conflict resolution to help them deal with tense situations. The GLAA has modified and extended this training to include a wider package of personal safety training more suited to the LAPO role. This includes training and authorisation in the use of handcuffs. It is provided during the induction course, which also includes a fitness test.

From our interviews with LAPOs, we were left with the impression that there was no lack of confidence among them concerning the use of PACE powers. Most of the LAPOs work is directed by senior investigating officers, with whom the LAPOs tended to work closely. Senior investigating officers raised no concerns.

The GLAA informed us that, since March 2018, it has used force to gain entry to premises on seven occasions. The GLAA was unable to tell us how many times it has used force on people i.e.; during arrests. Following a review in 2015,

⁴⁹ [Achieving Best Evidence in Criminal Proceedings: Guidance on interviewing victims and witnesses, and guidance on using special measures](#), Ministry of Justice, March 2011.

police forces have begun collecting detailed information on their use of force.⁵⁰ We encourage the GLAA to examine the police system for collecting such information and evaluate its suitability for adoption by the GLAA.

Complaints

The rate of complaints can be a useful barometer for measuring fairness in the behaviour of a law enforcement organisation. Since April 2017, LAPOs have fallen within the scope of the Independent Office for Police Conduct (IOPC).⁵¹ The IOPC confirmed what LAPOs told us: so far, there have been no complaints.

We heard of some letters from legal representatives about the retention of devices i.e.; laptop computers and mobile phones, for which they challenged the GLAA's diligence, given the length of time the devices were retained. But their concerns appear to have been resolved through correspondence.

GLAA managers explained that, usually, complaints to the GLAA relate to its regulatory work, coming from those whose licence has been revoked or had attached to it a condition the licensee thinks unfair.

Conviction rate

At this stage, few LAPO cases have progressed through the legal system (which we comment on later), so there is insufficient criminal justice system data on the GLAA's conviction rate from which to draw any meaningful conclusion. From the data we obtained from the GLAA, it appears⁵² that the vast majority of search warrant applications are successful, which implies that the GLAA is acting appropriately.

⁵⁰ [National Use of Force Data Review Project](#), National Police Chiefs' Council, October 2015.

⁵¹ By virtue of Regulation 8 of the Gangmasters and Labour Abuse Authority (Complaints and Misconduct) Regulations 2017/521.

⁵² For the period 1 May 2017 to 31 July 2017, the GLAA records show 93 successful applications and two unsuccessful applications. However, the GLAA could not be certain that all unsuccessful applications had been recorded.

Legal safeguards concerning detention

There are various provisions built into PACE to safeguard against people being detained unlawfully or held in police custody for unnecessarily long periods.⁵³ These safeguards include checks by custody officers and review officers, who act independently of the investigation, when detainees arrive at police stations and during their detention there.⁵⁴ The GLAA confirmed to us that such checks had not identified any issues of concern i.e.; no custody officers had declined to authorise the detention of GLAA prisoners and no review officers had declined to authorise further detention.

Proportionality

Part of the GLAA's concerns about the legal provisions (covered earlier) relate to its loss of powers under the National Minimum Wage Act 1998 and the Employment Agencies Act 1973, which were granted for a brief period and, as we understand it, not used. The GLAA's argument is that, if it finds itself having to investigate such offences, it will have to do so using PACE powers which might be seen as disproportionate to the nature of the offences. While we cannot comment on the merits of the argument, we see it as indicative of an organisation trying to act conscientiously.

Are appropriate internal governance and supervision arrangements in place?

Main finding

Appropriate internal governance and supervision arrangements are in place, but LAPO performance at this stage is hard to judge.

Supervision

LAPOs are home workers, so they do not usually work with a supervisor nearby. Nevertheless, their work is heavily guided by the senior investigating officers and, in practice, when they exercise their PACE powers it is usually on a planned basis and as part of a team. We are satisfied with the level of supervision.

⁵³ Part IV of PACE.

⁵⁴ Section 37 of PACE (custody officers) and section 40 of PACE (review officers); there are further provisions which apply when people are detained beyond 24 hours, but the GLAA has not yet sought to detain anyone beyond 24 hours.

Governance

The first of the GLAA Board's specific responsibilities is to "[establish] oversight to ensure the GLAA takes forward the strategic aims and objectives of the GLAA".⁵⁵

The first of the GLAA's six strategic objectives is to "[d]isrupt criminal activity within the labour market".⁵⁶ This objective is particularly relevant to the LAPOs and the use of PACE powers.⁵⁷ We reviewed the documents the Board receives to help it discharge its responsibilities against this and other objectives.

We found that the Board regularly gets a very comprehensive range of performance information, in a monthly activity briefing report and a quarterly Board performance report. Both contain relevant information on the LAPOs' activities, including the number of arrests, number of search warrants executed and various other metrics. We consider these documents fit for purpose.

The GLAA's performance

At the time of our inspection, the GLAA could count from its LAPOs' investigations a total of six convictions and five successful applications for labour market enforcement undertakings. There had been no applications for slavery and trafficking prevention orders. Taken at face value, these are low numbers.

At various points in the inspection, interviewees questioned whether this aspect of the GLAA's performance was acceptable, particularly when compared with the rate at which licensing warning and enforcement notices are issued and given that the LAPO team began its work in April 2017 (albeit not at full strength).

An objective analysis is not straightforward. There is no benchmark against which to make a judgment, and comparisons with licensing activity are not valid. Because of the complexity of the offences under investigation there is inevitably a long lead time between arrest and prosecution. But, with 135 investigations underway, we would expect to see an upward trend in the number of cases progressing to court in the forthcoming months.

⁵⁵ [Framework Agreement](#), Home Office and Gangmasters and Labour Abuse Authority, August 2018, page 14, paragraph 8.1.

⁵⁶ [GLAA Strategy for Protecting Vulnerable and Exploited Workers 2018 - 2021](#), Gangmasters and Labour Abuse Authority, page 3, paragraph 2.1.

⁵⁷ The other five objectives cover: engaging with stakeholders; supporting compliant businesses; working in partnership to protect workers' rights; maintaining a credible licensing scheme; and identifying and supporting victims of labour exploitation.

However, the inspection revealed a related weakness. So far, organisational learning has been oriented towards reviewing the quality of partnership working rather than reviewing the effectiveness of LAPOs' activities. The focus needs to shift, so that lessons can be learned from the GLAA's experience with its LAPOs since April 2017.

Above all, the inspection revealed various issues, all detailed in this report, which have an adverse effect on performance. If the GLAA addresses these issues successfully, performance will improve.

3. Conclusions

In our view, the GLAA has done remarkably well in assembling and deploying its LAPO team effectively in a relatively short space of time. This is of notable credit to the late chief executive, the interim chief executive and all those who worked hard to create the conditions which have enabled this success.

We quickly formed the view, which we know is shared by the GLAA's leadership team, that the energy which went into getting the LAPO team up and running now needs to be followed up with a broader focus on organisational development. This is needed to help the GLAA adapt in various ways to its additional LAPO functions, but without losing sight of its licensing functions.

The leadership team is already attending to many of the issues we raise in our report. But it is trying to do so while meeting a broad range of other demands outside the scope of our inspection.

With finite leadership capacity, the danger is that progress will not be secured as quickly as hoped. When raising issues of concern, some interviewees commented that these were not all 'new' issues. Because of this, the wider demands on the leadership team, and the arrival of a new chief executive, we believe a fresh approach to organisational development is advisable. It would help to secure good progress and give the new chief executive a template on which to add his influence.

Recommendation

By 31 May 2019, the GLAA should create an organisational development action plan, with milestones, deadlines, and responsibilities for specific actions allocated to named individuals. Performance should be regularly scrutinised in detail by the GLAA Board.

Annex A – Applicable provisions of PACE

The following is an extract from regulation 2 of the Police and Criminal Evidence Act 1984 (Application to Labour Abuse Prevention Officers) Regulations 2017/520:

“The provisions of PACE which apply for the purposes of regulation 2(1) are—

- (a) section 1(1) to (3) and (6) (power of constable to stop and search persons, vehicles etc.);
- (b) section 2(1) to (3), (8) and (9) (provisions relating to search under section 1 and other powers);
- (c) section 3(1), (2), (6), (6A), (7) and (9) (duty to make records concerning searches);
- (d) section 8(1) to (5) (power of justice of the peace to authorise entry and search of premises);
- (e) section 9(1) and Schedule 1 (special provisions as to access);
- (f) section 15 (search warrants – safeguards);
- (g) section 16 (execution of warrants);
- (h) section 17(1)(a)(i) and (b), (2) and (4) (entry for purpose of arrest etc.);
- (i) section 18 (entry and search after arrest);
- (j) section 19 (general power of seizure etc.);
- (k) section 20 (extension of powers of seizure to computerised information);
- (l) section 21(1) to (9) (access and copying);
- (m) section 22(1), (2)(a), (3), (4) and (7) (retention);
- (n) section 24(1)(b) and (d), (2) to (4) and (5)(a), (b), (c)(i) to (iii), (d), (e) and (f) (arrest without warrant: constables);
- (o) section 28 (information to be given on arrest);
- (p) section 29 (voluntary attendance at police station etc.);
- (q) section 30(1)(a), (1A), (1B) and (7) to (11) (arrest elsewhere than at police station);
- (r) section 32(1) to (9) (search upon arrest);
- (s) section 43 (warrants of further detention);

- (t) section 44 (extension of warrants of further detention);
- (u) section 77 (confessions by mentally handicapped persons);
- (v) section 117 (power of constable to use reasonable force); and
- (w) sections 10 to 14, 23, 82 and 118 (interpretation provisions), to the extent relevant to the sections mentioned in paragraphs (a) to (v).”