

INSPECTION REPORT

URN	TYPE	Name
QUAL0011	AI	

Business Name

Qualitycourse Limited t/a The Transline Group

Date Allocated 28/08/2013	Date Submitted 29/11/2013	Inspection Date 19/09/2013
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Introduction

Redactions are made under S40 (3) unless stated].

The QUAL0011 Application was received due to the LP failed 2013 licence renewal process under GLA Ref: QUAL0001, Qualitycourse Limited t/a Resource Industrial Recruitment, 22-26 Commercial street, Halifax, West Yorkshire, HX1 1TA. That Licence was marked as ceased trading on 18 July 2013.

On 02 August 2013 the new GLA Licence Application (under QUAL0011) was acknowledged.

On 05 September 2013 Inspector XXXXXX viewed the sample workers contract sent with the new Licence Application which suggested a travel expense scheme was being operated for the workers. XXX.
(S41)

Also on 05 September 2013 Inspector Emailed notification of the Application Inspection (AI) date to the declared LP Email address XXXXXXXXXXXXXXXXXXXXX. The AI was requested for 16 September 2013 and to be undertaken at the declared business address at Qualitycourse Ltd, T/A The Transline Group, Stoneleigh, 39, Halifax Road, Brighouse, HD6 2AQ.

On 13 September 2013 PA Colin Beasley phoned Inspector to confirm the Application Inspection date. The inspection was arranged for 16th September at Brighouse.

On 16 September 2013 Inspector visited the LP at the aforementioned business premises. It was confirmed during this first visit that trading had continued post 13 July 2013 after the expiry of the previous GLA Licence (QUAL0001) and a Caution was given to PA in relation to potential offending contrary to Section 12 (1) Gangmasters (Licensing) Act 2004.

Although Application documents were collected by Inspector, it was explained to PA that the Application Inspection was suspended until the Enforcement aspect had been resolved.

It was confirmed at this visit that the LP only ever supplied one GLA regulated LU XXX.

Examination of the documents provided, confirmed the existence of an HMRC dispensation and salary sacrifice scheme and initial contact was made with Head Of GLA Licensing re same

On 17 September 2013 Inspector phoned XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.
Inspector then Emailed XXXXX the same day to confirm a visit on 18 September 2013 to discuss the continued supply of labour from Qualitycourse Ltd. Inspector requested that the email should be forwarded to the LU Operation Director XXXXXXXXXXXXXXXXXXXX.

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On 18 September 2013 Inspector visited XXXXXXXXXXXX and XXXXXXXXXXXXI at XXXXXXXXXXXXXXXXXXXX where it was confirmed the Applicant business were still supplying approximately 80 workers without a GLA Licence.

6 workers still employed by Applicant business were interviewed and the work they were undertaking confirmed as being in the GLA sector. Inspector has recorded workers concerns within Inspection questionnaires and separate questionnaires covering workers expense schemes XXXXXXXX

LU Documents were collected and Caution was issued to XXXXXXXX under Section 13 for trading post 13 July 2013 with Quality Course Ltd. Workers from Quality Course Ltd were still employed on this site that day. Around 80 workers were being supplied by the LP.

Inspector issued a Section 13 (1) Enforcement Notice. Since expiry of LP licence under QUAL0001 the illegal Trading revenue was estimated by LP as £150k - £200k.

The LU had no other LP sourcing them with temporary labour but LU made immediate plans to source a GLA Licensed LP.

The LP onsite consultant named XXXXXXXXXXXX was still present on this day and Inspector interviewed him as part of this process (on 18 September 2013).

In relation to workers interviews at this site Inspector noted workers concerns in the following areas of GLA standards.

- Non-payment of inductions undertaken on the LU premises,
- New Contracts of Service raised and signed by workers in July 2013 covering expense schemes not copied to workers and no full explanations provided to a predominately migrant workforce.
- Workers stating they mainly provide packed lunch and have only had one LU address which could be defined (by HMRC) as normal commuting. This would mean such expenses are ineligible.
- Workers Contracts stating no sick pay paid to workers.
- Expense scheme leaflet not copied to workers showing that once they had signed employment contracts they had effectively opted into the scheme. Workers did not know how to fully opt out of the salary expense scheme.

On 19 September 2013 Inspector re-visited PA at the same business premises to attempt a conclusion of documents needed for AI purposes and explain the LU response to GLA Enforcement enquiries.

Also present at this final visit was LP Managing Director Jon TAYLOR and LP XXXXXXXXXXXXXXXX (XXXXXXX is not named on GLA Licence).

However whilst attempting to secure information during the final AI visit, LU XXXXXXXXXXXX Ltd chose to contact the LP regarding their decision to withhold payment of labour charges to the LP, due to contractual breaches relating to the illegal labour supply (during failed GLA Licence renewal period).

PA stated to Inspector at this visit that LP would claim LU costs from GLA (if payment not received from LU) as he felt his renewal had been handled very poorly by GLA which is why

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all of this had happened (This has since been investigated by GLA and his complaint has not been upheld).

PA outlined the LU contract was worth £1m but it only represented 1% of the LP £100M LP turnover in other sectors.

All LP personnel were obviously very agitated at this point of the visit and a decision was agreed with PA for any further information and explanations to be exchanged with Inspector via Emails.

Also on 19 September 2013 Inspector was advised that allegations had been made against the LP. This surrounded student workers working in excess of 20 hour maximum period visa restrictions which has not been substantiated. Inspector needed to explore those allegations and LP provided Email information relating to such enquiries xxxxxxx.

On 20 September 2013 Inspector phoned PA and LU XXXXXXXXXXXXXXXX to confirm GLA Enforcement enquiries were being referred to CPS.

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The LP has provided "some" of their own factual information surrounding the HMRC dispensation and salary sacrifice schemes (see LS 1.2 for full timeline of responses).

On 30 September 2013 GLA Licensing issued the LP with a licence suspension letter which advised that no decision on the application would be taken until conclusion of the enforcement action.

On 09 October 2013 the GLA decision had been reached to serve the LP and LU with warning letters.

On 18 October 2013 Inspector Cross Emailed PA reminding him of the need to advise GLA of those persons he wished authorised to communicate with GLA regarding the Application.

On 18 October 2013, Inspector was contacted by LP Finance Director XXXXXXXXXXXX (still not named on GLA Licence) on progress of AI. Inspector outlined that an Email was being prepared for PA.

On 18 October 2013 Inspector Emailed PA and referred PA to Inspectors previous email of 9 October 2013.

On 22 October 2013 Inspector XXXXXXXX Emailed PA with requests for information still outstanding at the last AI. This included 16 key areas and request for further workers sample contractual papers for 12 specified workers (See LS 7.3).

Following a 'reminder' from the Inspector regarding information sought Applicant PA Emailed Inspector XXXXXXXXXXXX to confirm that he was dealing with Inspectors request for the further information which he hoped to supply by 8 November 2013.

However on that date PA contested the requirement for the information sought and there then followed an Email exchange (copies retained if required) with the Inspector asserting the relevance of the original request.

On 19 November 2013, LP (MD) Taylor replied to Inspector Email request of 22 October

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2013.

On 27 November 2013 GLA rejected the LP's Complaint with regards the failed GLA licence renewal and GLA notified this to the LP by letter that day.

GLA enquiries into that complaint have highlighted concerns with LP's incorrect versions of events stated to have occurred during the failed 2013 GLA licence renewal process.

On 13 December 2013 LP (MD) Taylor provided the final responses to Inspector requests. These have been included within Inspector's Report.

Licensing Standard 1: FIT AND PROPER TEST

1.1 Fit and Proper

On 16 September 2013 Inspector visited the LP to undertake the Application Inspection needed under QUAL0011.

PA signed and dated all paperwork taken by Inspector at this visit and had confirmed that neither he nor any individuals named on the Licence had any issues to declare under LS 1.1.

Despite being warned by GLA Licensing it was evident that the LP had chosen to ignore the GLA warnings and had continued to trade without a GLA Licence. The LP had also failed to outline their current Licence status with their only GLA regulated LU named XXXXXXXX
XX.

Inspector viewed the LP sample workers contract which they had forwarded with the new GLA Licence Application (QUAL0011). This contract suggested a travel expense scheme was being operated for the workers (Exhibit GAC4: Copy LP Temporary Workers Contract OF Employment Received by GLA on 20 August 2013).

The use of this Expense scheme for GLA regulated workers has not been previously declared to GLA but was stated by the LP only to have been in operation within GLA sectors since July 2013.

The LP subsequent response to Inspector with regard to the operation of this expense scheme been delayed (See LS 1.2).

PA confirmed that director Mark Elms was normally responsible for the GLA regulated sector client but he was not present on this inspection day. Mark Elms was named on GLA Licence as sales director.

Other LP personnel present at this first AI were LP Managing Director Jon TAYLOR (who was named on GLA Application) and LP XXXXXXXXXXXXXXXXXXXX (who was not named on GLA Licence, but note LS1.4).

It was explained to PA that the normal Application procedures could not be followed at this initial visit until the Enforcement enquiries had been confirmed and resolved.

During this first visit the LP remained fully co-operative but LP co-operation changed at the next visit (see below and LS 1.2).

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Enforcement enquiries.

Also present at this final visit was Taylor and XXXXXXXX (XXXXXXX was still not named on GLA Licence).

During this AI Inspector attempted to question PA on the HMRC dispensation and expense schemes but PA again requested that Taylor and XXXXXXXX provide the main responses which Inspector accepted (but PA remained present throughout).

Taylor and XXXXXXXX stated that the business had obtained full Legal advice and confirmations proving the LP operated within the LAW and met GLA standards.

Taylor was very reluctant to provide workers contractual papers in existence prior to the commencement of the expense scheme in July 2013 (See further details at LS1.2). Taylor stated Legal confirmations surrounding the expense scheme would need to be sent to Inspector at a later date as such documentation was not available at this visit.

Taylor requested that Inspector concentrated on the LP business as a new Applicant under QUAL0011 and deemed information relating to previous workers contracts Qual0001 was now irrelevant, taking into account all such workers had now left their employment.

Inspector attempted to explain the importance of the LP previous compliance history and that it was relevant. Inspector advised LP that if paperwork was not presented this would simply be reported to GLA Licensing.

The LP was extremely hesitant in providing information relating to their previous Compliance under GLA licence (under QUAL0001) stating they should be treated as a new applicant and any previous issues should only have been dealt with under QUAL0001. Inspector explained that the events leading to the introduction of the salary sacrifice scheme would be relevant and workers had expressed concerns with those procedures.

Inspector attempted to explain PA and Taylor that although their previous Licence reference (QUAL0001) had changed the company's Legal entity had not changed and their associated processes remained the same (under QUAL0011).

The LP considered their expense scheme was operated within HMRC criteria and advice provided through their own Employment Law specialist.

The LP has failed to provide a copy of their Counsel which they are relying upon to support the legitimacy of the salary sacrifice expense scheme despite being requested to do this by Inspector This has disrupted the Application Inspection process (See LS 1.2).

It was explained to PA that GLA worker interviews had highlighted workers concerns with the operation of the scheme and that the HMRC dispensation only covers travel and subsistence expenses actually incurred during the working day in the performance of the agency workers duties and does not cover normal commuting.

Inspector requested the LP to demonstrate how they audited and justified expense payments to GLA regulated workers in light of the HMRC dispensation letter (See LS 2.1).

The LP again referred Inspector to their belief that their expense scheme was operated within HMRC and their own Employment lawyer's guidance and this could be forwarded to

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Inspector. Such detailed Counsel guidance is still outstanding (See LS 2.1).

The LP has failed to fully co-operate with the GLA to address the issues raised in the Inspector emails in a timely manner. This reluctance particularly relates to providing workers previous contracts held prior to introduction of workers salary sacrifice scheme in July 2013.

The scheme currently being used and associated expenses have not been audited by the LP in relation to any previous GLA workers (See LS 1.2 and LS 2.1).

LP has also failed to address any repayment for workers time spent on inductions by previous workers arguing GLA should only concentrate on current Application.

LP stated no arrears to be paid as previous workers had all since been transferred to another LP during GLA Enforcement enquiries in September 2013(see LS 2.1 and LS 6.2).

1.2 Principal Authority Competency Test

On 17 September 2013 Inspector Emailed Beasley following illegal trading being confirmed that his business could not continue to trade within GLA Sectors (Exhibit GAC11: Inspector XXXX Email to PA Beasley dated 17 September 2013).

The Applicant business has received a Warning Letter for trading without GLA Licence post July 2013 (See LS 1.1).

On 19 September 2013 (and post GLA Enforcement enquiries on 16 September 2013) Inspector visited PA at the same business premises to attempt a conclusion of documents needed for AI purposes.

PA did demonstrate knowledge of both the standards and business processes and practices. PA has knowledge of the GLA standards as the business previously held a GLA Licence under QUAL0001 (periods 14 July 2006- expiring 18 July 2013).

PA substantiated that VAT/ PAYE/UTR numbers submitted with Application were correct. PA confirmed the details of the payroll system being used by the business.

During July 2013 the LP commenced operation of a salary sacrifice expense scheme for GLA regulated workers. This scheme had not been divulged to GLA prior to AI.

PA admitted he was unable to answer all questions put to him with regard to the salary sacrifice expense and stated that his colleagues Taylor and XXXXXXXX could answer on his behalf and also confirmed his Legal advisors could provide more details.

PA added that GLA should accept that although he had been nominated as PA he did have to "know everything about the finer details of the LP processes".

PA stated "I honestly do not know about the expense scheme details. I do not accept that I need to know everything" (See LS 2.1).

PA did state he might need to nominate another PA if the current Application was successful to deal with GLA matters.

PA stated that LP onsite consultant XXXXXXXX (based at Labour User XXXXXXXXXXXXXXXXXXXX)

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would have had full responsibility for directly explaining the salary sacrifice expense to the GLA regulated workers at the LU site during workers application and contractual stages.

PA explained that although he was aware that his business held an HMRC dispensation he could not explain how this was operated in relation to the worker's salary sacrifice scheme and he paid his lawyers a substantial amount of money to ensure such schemes were legal (See LS 2.1).

When asked about more details on dates new contracts were supplied PA stated "I cannot answer all of these questions. We have no idea on how the contracts were given to workers" (See LS 7.3).

PA needed to refer Inspector to Taylor and XXXXXXX to explain LP audit procedures for HMRC dispensation. Taylor and XXXXXXX could not confirm at the AI if workers receipts for expenses incurred whilst travelling to labour user sites had been retained (See LS 2.1).

Taylor and XXXXXXX stated that they also relied on the full Legal advice (by XXXXXXXXXXXXXXXXXXXXXXX) and confirmations proving that the business operated within the LAW and met GLA standards.

Taylor was reluctant when asked at the AI to provide contractual workers papers in existence prior to the commencement of the workers expense scheme in July 2013 (See LS 7.3).

PA confirmed current Terms of business with LU last signed by LU (XXXXXXXXXXXXXXXX) in 2006. LP did not agree that these should have been formally updated (See LS 7.4).

PA admitted a failure to declare details for Company Secretary, workers nationalities, correct business email address, PA mobile numbers on current Application form (See LS 1.4)

PA did not agree a need for separate workers opt out signature for 48 hour Working Time Directives (See LS 5.2 and LS 7.3).

On 22 October 2013 Inspector Emailed PA with requests for information still outstanding at the AI visit (Exhibit GAC14: Inspector Email to PA dated 22 October 2013 requesting further information).

This related to 16 points which required clarification on initial AI responses and also requested further samples of workers contractual papers for 12 GLA workers which had been employed by the LP (See LS 7.3)

There then followed an exchange of mails (can be provided) in which the LP suggested the Inspector was asking for material not relevant to the current Application Inspection.

On 11 November 2013 Inspector XXXXXXX emailed LP and referred the LP to GLA Compliance Code of Practice covering Section 16 and Section 18 of the Gangmaster (Licensing) Act 2004 and relevant requirements covered by the foregoing Act, (Exhibit GAC18: Inspector Email to PA dated 11 November 2013).

Also on 11 November 2013 PA Emailed Inspector stating these requests was creating an enormous amount of work (Exhibit GAC19: PA Email to Inspector dated 11 November 2013). On 19 November 2013, Taylor (MD) commenced his and the LP responses to Inspector

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requests.

On 13 December 2013 the Final LP responses were received in a number of Emails from Jon Taylor (MD).

The LP emailed responses are all headed in relation to 16 points which were raised in Inspector email of 22 October 2013 and Inspector has included some of those as Exhibits within the relevant standards of this report.

The subsequent Email responses include confirmation that workers did not have contracts under QUAL0001 (See LS 7.3).

The LP has presented workers contractual papers which differ to those presented with the GLA Application (See LS 7.3)

LP has confirmed that having reviewed their audit records no workers at the sole GLA regulated labour user site (XXXXXXXXXXXXXXXXXXXX) were selected for an expense audit, during the period the Travel and Subsistence scheme was made available to workers post July 2013 (See LS 2.1).

LP alleges they commenced support sessions on 5th September for the workers covering the introduction of the salary sacrifice scheme. None of the workers confirmed this session at their Interviews with Inspector XXXXXXX (See LS 2.1).

It is unclear on the start date being used from LP responses to verify workers total length of service which is relevant to workers eligibility under salary sacrifice scheme (See LS 2.1).

LP did not provide relevant payslips showing operation of salary sacrifice scheme until 13 December 2013 (see LS 2.1 & LS 2.4).

LP has admitted that they did not pay workers induction periods as an extension of working time. They do not consider that they are liable to pay any arrears to those previous workers (See LS 2.2 and LS 6.2).

The LP has confirmed that they consider the workers contracts contains opt outs clauses for the 48 hour limit on working weeks as permitted under Regulation 4(1) of the Working Time Regulations. There is no separate signed workers LP agreement outside of that contract (See LS 7.3).

The workers contract states it is a Contract Of Employment and a Contract of Service.

The LP workers are employed on an overarching contract of employment which guarantees 336 hours in a 12 month period and provides for the provision of relevant training leading to a recognised qualification. The workers interviewed did not consider that they were employed as apprentices. They also confirmed that they did not consider they had any choice but to sign revised contracts in July 2013 when the expense scheme commenced (See LS 7.3).

The LP was requested to provide Inspector with their company policy for SMP/SPP/SSP and provide evidence of any such payments for workers were previously employed at XXXXXXXXXXXXXXXXXXXX during the last 12 months. The LP has only managed to produce evidence of SSP for one on-GLA regulated worker who was paid SSP in September 2013 and

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October 2013 (see LS 2.3).

The LP's disciplinary procedure was stated to have been provided to each worker on commencement of employment. Such details not found by Inspector within sample workers papers copied by LP consultant XXXXXXXXXXXXXXXX (See LS 5.6 & LS 7.3).

The LP disciplinary procedure was queried by HMRC (See Exhibit GAC20C) and LP advisors did respond to HMRC. 6 workers interviewed did not know their obligations under the scheme and how disciplinary procedures could apply if their expense claims were incorrect (See Exhibit GAC21C).

LS 1.4 below covers PA failure to notify GLA of various correct details on previous and current GLA Application forms.

1.3 Correcting Additional Licence Conditions

PA fully aware of need to observe ALC. No ALC current at time of visit.

1.4 Changes in Details

It was noted by Inspector that details and LP personnel declared under QUAL0011 were different to those previously declared under QUAL0001.

PA admitted that whilst the QUAL0001 Licence was still valid they had failed to declare various details within GLA 20 day deadlines.

The change of Principal place of business at 22-26 Commercial street, Halifax Yorkshire to Principal place of business address at Stoneleigh, 39 Halifax Road, Brighouse, Yorkshire.

PA did state post was being re-directed at that time. This move was mentioned on the company web page in October 2012. PA stated the address officially changed 2 months prior to this current Application inspection.

This led to GLA Licence renewal issues during 2013 and although the LP has complained about the failed renewal their complaint was not accepted by GLA Appeals.

Under QUAL0001, the LP failed to declare Jonathan Taylor and Paul Beasley (son of PA) as Directors and each have been Directors since 29 May 2009.

Also under QUAL0001 the change in Trading title from Resource Industrial Recruitment to the Transline Group was not notified to GLA within 20 day deadlines. PA stated this was changed over a month before this current Application inspection date.

LP also failed to inform GLA that GLA should not be using the email address for XXXXXXXXXXXX as the LP's preferred means of communication.

PA stated XXXXXXXXXXXX had suffered a breakdown following XXXXXXXXXXXX divorce (It is noted by Inspector that XXXXXXXXXXXX was still given responsibility for completing QUAL0011 new GLA Licence Application).

LP also failed to enter the company web address on their QUAL0011 application (www.transline.co.uk).

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PA mobile number XXXXXXXXXXXXX was not entered on the QUAL0011 application.

PA had failed to enter all workers Nationalities on his current QUAL0011 application.

LP Director Taylor stated to Inspector at the AI when questioned that the LP has too many nationalities to place on the GLA Application form but he could send all details of Nationalities (which has not occurred).

PA did not state on the QUAL0011 Application the type of Employment Contracts used for GLA regulated workers. (See LS 7.3).

Licensing Standard 2: PAY AND TAX MATTERS

2.1 PAYE, NI and VAT

The LP confirmed that they have no current debts with HMRC.

The LP and workers were stated to be paying reduced HMRC contributions by using a salary sacrifice scheme. Inspector viewed VAT 100 payment of £3,088,711.19 dated 31 July 2013.

PA, Taylor and XXXXXXX have continued to quote that the advice provided by their Legal Advisor XXX is the basis on why they consider their salary sacrifice scheme meets both HMRC dispensation requirements and all relevant GLA Standards.

Despite being requested at the AI, the LP has not produced any formal Legal Counsel from XXXXXXXXXXX to fully demonstrate compliance within such HMRC legislation and this GLA standard. LP did confirm HMRC dispensation was granted in on 25 May 2011.

Inspector 6 workers interviews uncovered workers issues with Operation of the LP salary sacrifice scheme.

PA accepts expense schemes do reduce the amount of tax and National Insurance payable by Employers and workers. PA also accepts that workers have contractually sacrificed some of their wages subject to tax and National Insurance for tax/NI travelling and subsistence expenses.

On 19 November 2013 LP provided an Email response to Point 1 contained within Inspector Cross Email of 22 October 2013 covering the salary sacrifice scheme. (Exhibit GAC20:- LP Email 19 November 2013 response to Point 1 of Inspectors Email of 22 October 2013 and attachments Exhibit GAC20A: LP Flex- handbook A5; Exhibit GAC20B: Flex Worker Handbook and Exhibit GAC20C: HMRC Fax 20 April 2013).

The above workers handbooks were not present at the Inspectors LP onsite LU office visit and no mention of such booklets mentioned by workers.

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LP outlined they had stated to HMRC the intention was that the LP XXXXXXXXXXX payroll system would pick a completely random sample of flex Employees who have claimed expenses based on 1/52 of 10% of the population (The XXXXXXXXXXX is the name provided to the LP payroll system which collates records and calculates the T&S benefit for the workers according to the information provided by each worker). LP added that there would be no human intervention in the sample selected therefore it would be completely random and all flex employees have an equal chance of being selected.

From 6 Workers interviewed only 2 workers recalled a discussion on receipts but none of the workers had actually retained receipts and all 6 were confused about the need to retain their own receipts and for how long any receipts should be kept (Workers had packed their own lunch so valid receipts would not have been available even if an audit of receipts had taken place).

The LP also stated to HMRC (see LP document Exhibit 21C above) that training has been undertaken on workers expenses and would be rolled out to all new workers. None of the 6 workers interviewed could recall any training and consultant XXXXXXX admitted when interviewed that although discussion should have taken place onsite it did not actually take place. He received training from a LP manager XXXXXXX and XXXXXXX then addressed workers concerns if they asked (See point 5 below also LS 2.1).

Inspector also requested LP to confirm the number of formal meetings held with their GLA regulated workers (previously supplied XXXXXXXXXXXXXXX) to confirm how their expense scheme was to be introduced. Also on 19 November 2013 LP provided their response (Exhibit GAC24:LP Email 19 November 2013 Point 5 response to Point 5 of Inspectors Email of 22 October 2013 and Exhibit GAC24A: LP expense scheme Presentation attachment)

Within above Email LP states their first meeting to implement the T&S Scheme at XXXXXXXXXXXXXXX took place in the onsite office on 10 July 2013, this meeting was between XXXXXXXXXXX and XXXXXXXXXXX. However in his meeting with Inspector, XXXXXXX stated that meeting took place on 11 July 2013.

In his interview with XXXXXXX stated to Inspector that he had only been the LP onsite manager at XXXXXXXXXXX for 6 months and he had replaced the previous manager XXXXXXXXXXX.

XXXXXXXX stated he was first told about the introduction of the scheme within an Email dated 15 July 2013. He thought the Email came from XXXXXXXXXXX and stated she was project manager at Transline. This email was not made available to Inspector.

The LP also states that meeting was to present the process of the Travel and Subsistence Scheme to the onsite team. Inspector has confirmed with workers that no such full presentation took place.

The Applicant business states XXXXXXXXXXX (LP XXXXXXX Director) then contacted the workers via SMS through XXXXXXXXXXX, and workers had an initial message to say LP believes workers are eligible for the scheme, how the scheme would benefit workers and also how workers complete their online timesheet. Inspector has confirmed that not all workers understood the scheme.

XXXXXXXX states each week she would send an update to XXXXXXXXXXX detailing who had

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completed and comments from workers who hadn't. XXXXXXXX would speak with anyone who needed additional help to complete or needed a further explanation on the benefits. Workers stated they received little information from XXXXXXXX onsite for the scheme.

XXXXXXXX states she and XXXXXXXX then arranged a support session for the workers, which she alleges took place on 5th September. None of the workers confirmed this session at their Interviews with Inspector XXXXXXXX.

XXXXXXXX states each worker was given a time slot to come and see her and this was a chance for the workers to ask questions, and some workers needed their payslips explaining and others just wanted help to log in. None of the workers confirmed such a session at their Interviews with Inspector XXXXXXXX and Applicant business has presented no formal records confirming such interviews took place.

Hardy states XXXXXXXX then completed a similar secession on the following week. None of the workers confirmed this session at their Interviews with Inspector.

On 19 November 2013, Taylor (MD) also provided Inspector with information surrounding workers length of service with the LP (Exhibit GAC25:LP Email 19 November 2013 Point 7 response to Point 7 of Inspectors Email of 22 October 2013 and Exhibit GAC25A:LP length of workers service attachment sheet 3)

It is unclear from the above attachment what start date has been used by the LP for the workers length of service. This is important in that HMRC covers the maximum entitlement to expenses according to workers length of service.

During their Interviews workers stated that they had only ever worked for the LP at the same LU (XXXXXXXXXXXXXXXX) and did not seek to work at different sites throughout the day / week. Even if workers had left the LP, then returned, they were sent back to XXXXXXXXXXXXXXXXXXXX.

During the LU visit Inspector requested LU HR Manager XXXXXXXXXXXXXXX to obtain the length of service for current workers at his site. XXXXX XXXXX produced a list which he stated was provided with the assistance of the LP consultant XXXXXXXXXXXXXXX (Exhibit GAC26: Length of service list provided by LU XXXXXXXXXXXXXXX).

Inspector questioned XXXXXXX on the workers start date shown on this list. XXXXXXX confirmed that the length of service (stated on Exhibit GAC 26) might only be from the workers current period of employment at the LU site. For example if workers had previously worked at this same LU site for the LP but had and left that previous start date would have been ignored.

In relation to worker XXXXXXXX the LP declared start date (previous Exhibit GAC25A) is 28 November 2011 and Application Form confirmed that date. All employment at the same LU site

In relation to worker XXXXXXXX the LP declared start date was 09 October 2012 (previous Exhibit GAC25A) but the Application form showed XXXXXXXX first started on 21 June 2010, finished on 15 January 2012 and then was started again on 09 October 2013. All employment at the same LU site.

In relation to worker XXXXXXXX the LP declared start date was 31 March 2013 (previous Exhibit GAC25A) but the Application form showed XXXXXXXX first started on 16 October 2012 with a personal details update on 13 May 2013. All employment at the same LU site.

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In relation to worker XXXXXXXXXX the LP declared start date was 17 July 2011 (previous Exhibit GAC25A) and Application Form confirmed that date. All employment at the same LU site.

The workers length of service is therefore under query but LP has failed to provide more information on the files requested by Inspector.

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XXXXXXXXXX

On 19 November 2013, Jon Taylor (MD) also provided Inspector with final payslips for all workers were previously supplied to XXXXXXXXXX showing the payment of holiday pay due to them (before their transfer to another labour provider) (Exhibit GAC27: LP Email 19 November 2013 Point 9 response to Point 9 of Inspectors Email of 22 October 2013 and Exhibit GAC27A: Workers weeks 26, 27 28 sample final payslips with holiday pay).

These payslips showed evidence of final holidays payments at the point of all workers departure to another LP but no payment has been made for 2 hours unpaid induction periods (See also LS 2.2).

On 19 November 2013, Jon Taylor (MD) also provided Inspector with XXXXXXXXXX responsibilities under payroll (Exhibit GAC34:- LP Email 19 November 2013 Point 16 to Point 16 of Inspectors Email of 22 October 2013).

Inspector questioned what XXXXXXXXXX was and LP has confirmed it is a tailored software package which collates schedules and processes the payroll in conjunction with Sage Payroll 50. It also acts as a scheduling tool, and a time and attendance system.

XXXXXXXXXXXX collates records and calculates the T&S benefit for the workers according to the information provided by each worker.

Inspector requested LP to provide more information within his Email to LP on 22 October 2013. This included sample payslips for each worker covering the payment/ deduction of expenses whilst workers were supplied to LU XXXXXXXXXX. The LP did not provide further wage slip information until 13 December 2013 (Exhibit GAC52 E-Mail 13 December 2013 with Exhibits GAC52A wage slips showing Salary sacrifice expenses).

Also within Inspector Email dated 22 October 2013 LP first failed to provide copies of previous workers signed employment contracts held by their GLA regulated workers prior to signing the current contract and explain how any overarching agreements were discussed with these workers.

LP also failed to include the system they operate for workers wishing to totally opt out of the expense scheme with evidence of how many workers have fully opted out of the scheme. However on 13 December 2013 LP forwarded their response to Inspector (Exhibit GAC54: LP E-mail dated 13 December point 6 response).

LP has not provided any additional sample workers application and contract records relating to the sample workers stated by Inspector. LP is stating that Prior to the introduction of their travel and subsistence scheme all GLA regulated workers were engaged as temporary workers on contracts for service and as such, no employment contracts were held by our GLA regulated workers which can be disclosed as requested.

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The LP again refers Inspector to the contract of employment for information as to the contractual obligations that they abide by in relation to the operation of the travel and subsistence scheme.

Despite being asked at the AI PA has been unable to explain or produce definitive records to confirm:

- Why they do not consider the workers expenses whilst travelling to and from the same LU (XXXXXXXXXXXXXX) as normal commuting (which would exclude such claims under the HMRC dispensation),
- How LP have determined whether the same LU site at XXXXXXXXXXXXXXX falls within a temporary workplace and not a permanent workplace,
- Why workers interviewed were all confused about the scheme and workers thought they had to join the scheme and did not know what it all actually entitled.
- Why LP onsite consultant XXXXXXXXX had a lack of knowledge with the new salary sacrifice scheme and why he failed to communicate full details of the scheme to GLA regulated workers
- LP was requested to confirm full details on HMRC forms they used to declare the salary sacrifice scheme to HMRC. Inspector requested sight of HMRC form P11DX which covers an Employers intention to use HMRC Benchmark system/ rules on HMRC advisory rates for day subsistence expenses. The LP has failed to send that copy.
- Inspector has concerns about the amount of time assigned to LP consultant XXXXXXXX to complete all of the LP / LU induction tasks and could be a reason as to why workers are so confused with the brief time allotted to discuss queries on employment contractual matters such as induction pay, SSP and salary sacrifice details.
- From 6 workers Interviewed by Inspector 2 cycled to work, 2 workers shared costs in colleague's cars, and 2 workers used their own car. All workers had only been employed at the same LU site and employment periods ranged from 10 weeks to 3 years.

2.2 Paying Wages

It was established by Inspector that rates being paid are higher than NMW rates. Workers Interviews confirmed this. LP has provided sample evidence of pay rates paid to workers who are paid through PAYE and Salary sacrifice (see LS 2.1 above).

On the Inspectors visit of 16 September 2013 PA provided the number of GLA regulated workers included on their XXXXXXXXXXX payroll system at that time. Workers who fail to submit expense claims (LP does remind them) are paid through LP normal PAYE (Exhibit GAC36: Copy print Payroll Journal (PAYE) signed by PA on 16 September 2013).

The LP has not however provided a full and substantive response to Inspector requests in relation to additional payslips evidence showing the operation and associated deductions under the salary sacrifice scheme. Inspector is concerned that no GLA regulated workers has ever had any expense claims audited.

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On 19 November 2013, Jon Taylor (MD) also provided Inspector with a response as to why they failed to pay workers arrears for induction periods (Exhibit GAC28:-LP Email 19 November 2013 Point 10 to Point 10 of Inspectors Email of 22 October 2013)

During Inspectors visit on 19 September 2013 with LP, Jon Taylor(MD) stated in relation to non-payment of induction periods "We have looked into this and we do not pay anything for workers time on inductions, But we will pay for the relevant induction time and if we have got anything wrong we are more than willing to put things right"

However since the departure of those workers to another LP , XXXXXX Director XXXXXXXXXXXXXXXXXXXX now states (within Exhibit GAC 28) "It was confirmed during our meeting that we would pay for the induction period going forward not backdated, and as we no longer supply XXXXXXXXXXXXXXXX this no longer applies".

This clearly means all previous workers have not been paid for induction periods which should be considered as an extension of working time. (See LS 6.2 for inductions).

The LU does not pay the LP for workers time spent being inducted on the LU premises.

On 19 November 2013, Jon Taylor (MD) also provided Inspector with clarification on additional payments workers received for shift patterns (Exhibit GAC31:- LP Email 19 November 2013 Point 13 to Point 13 of Inspectors Email of 22 October 2013).

The workers attendance bonus structure was detailed within this Email by the LP.

2.3 Benefits

LP has responded to Inspectors request for holiday information when workers lost their jobs at the LP during their transfer to another LP and this response confirmed all workers were paid their outstanding holiday pay at departure (Exhibit GAC27: LP Email 19 November 2013 and Exhibit GAC27A: Workers weeks 26, 27 28 sample final payslips with holiday pay).

The workers did not have rights to paid inductions (see LS 2.2 above).

The LP was requested to provide Inspector with their company policy for SMP/SPP/SSP and provide evidence of any such payments for workers were previously employed at XXXXXXXXXXXXXXXXXXXX during the last 12 months.

The LP has only managed to produce evidence of SSP for one on-GLA regulated worker who was paid SSP in September 2013 and October 2013. On 19 November 2013, Jon Taylor (MD) provided Inspector with LP Policy for SMP/SPP/SSP and LP stated they followed government legislation. (Exhibit GAC32:- LP Email 19 November 2013 Point 14 to Point 14 of Inspectors Email of 22 October 2013 and two Sample payslips for one non- GLA regulated worker's SSP Exhibit GAC32A dated 28 Sept 2013 – Exhibit GAC32B: and 26 October 2013).

All 6 workers interviewed believed that SSP was not a benefit offered to them by this LP. The contract (see previous Exhibit GAC4) they signed also stated at paragraph 35: "there is no contractual right to payment in respect of periods of absence from work due to sickness of incapacity".

None of the 6 workers interviewed knew about their entitlements to SSP/ SMP/ SPP. Workers all thought that the LP did not pay sick pay. There is only evidence of 1 worker's

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sick pay which might be as a result of workers perception that sick pay is not paid by the LP taking into account the wording within workers contracts (See LS 7.3).

Mark Elms (Director) did clarify SSP for PA within his email to LP finance director XXXXXXXXXXXXXXXX (See LS 6.2).

2.4 Payslips

Despite ongoing trading within GLA sectors the LP first chose to include an example payslip for a non-GLA regulated worker dated 20 July 2013 within their Application for a GLA licence. This payslip had no Expense scheme deductions shown (Exhibit GAC5: Copy Worker XXXXXXXXXXXXXXXX payslip).

PA did presented upon request from Inspector XXXXXXXXX at the AI an example payslip showing expenses being claimed by GLA regulated workers (Exhibit GAC9: Copy payslip worker XXXXXXXXXXXXXXXX dated 07 September 2013).

On 13 December 2013 LP presented further payslips which identified the salary sacrifice deductions (see previous Exhibit GAC52 & GAC52A).

Some Workers complained at their interviews with Inspector that they had difficulties accessing payslips from the LP online portal systems and were not aware that they could collect a print version from the onsite office.

Licensing Standard 3: FORCED LABOUR & MISTREATMENT

3.1 Physical and Mental Mistreatment

Workers reported no physical or mental mistreatment by the LP.

3.2 Restricting Movement, Debt Bondage and ID Retention

Workers reported no issues restriction on their movement, they had no debts with LP and no original ID's had been retained.

3.3 Withholding Wages

All Workers reported issues at their Interviews with non-payment of induction time undertaken onsite at LU XXXXXXXXXXXXXXXX which took 2 hours on average and was in addition to LP application procedures. The LP did not pay any induction periods for all workers employed in GLA Sectors as they were not aware that they were obliged to.

The whole process for new starters was stated to be around 4 hours depending on the number of new starters that were being inducted by LP consultant XXXXXXXXX. Inspector has recognised that half of that process was used by the LP for workers Application requirements.

LP has admitted they do not pay for inductions but have not offered to repay workers as workers were transferred to another LP (during QUAL0011 illegal trading periods).

All 6 Workers interviewed stated that they were unaware of rights to SSP (See also 1.2 & LS 7.3). The workers confirmed they only knew about rights to paid holidays.

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Licensing Standard 4: ACCOMMODATION

4.1 Quality of Accommodation

No evidence that LP is directly or effectively providing accommodation.
LP and Workers confirmed they provided their own accommodation.

4.2 Licensing of Accommodation

No evidence of any accommodation being provided which would need to meet Licensing requirements.

4.3 Provision of Travel or Requirement to Live Away From Home

Workers were previously sourced to one single LU and all workers lived local to that site. If this changes PA is aware of the requirements of this standards

Licensing Standard 5: WORKING CONDITIONS

5.1 Rest Periods, Breaks and Annual Leave

Workers did receive required breaks and annual leave was settled at their departure. PA demonstrated he knew about such rest periods, breaks and annual leave and his colleague XXXXXXXXXXXXXXXXXXXX is the xxxxx director who advises him on such requirements.

5.2 Working Hours

On 19 November 2013, Jon Taylor (MD) provided Inspector with explanation as to why workers did not sign any separate LP agreement to opt out of 48 hour working time directives (Exhibit GAC29:-LP Email 19 November 2013 Point 11 to Point 11 of Inspectors Email of 22 October 2013).

The LP has confirmed that as the workers contracts contains opt outs clauses for the 48 hour limit on working weeks as permitted under Regulation 4(1)of the Working Time Regulations (WTR).

There is therefore no separate signed workers LP agreement outside of that contract. Workers can opt back in to WTR by giving 3 months' notice as provided for in the Working Time Regulations. No evidence that workers have been refused to opt back in.

The LU did produce their own workers separate opt out form for the LP workers (See LS 6.2)

Workers do regularly work in excess of 48 hours but confirmed no issues with that at their Interviews with Inspector.

6 Workers interviewed all stated they did wish to work above 48 hour working time directives and some did but no separate opt out form covers their agreement. All workers signed the LU contract which then Opts them out at induction process.

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5.3 Right to Belong to a Trade Union

6 Workers confirmed they were not prevented from joining a union by the LP and PA would not prevent workers from joining a union.

5.4 Providing Workers in Industrial Disputes

No evidence of any such supply / disputes at the single LU previously supplied by this LP. PA would not supply workers during such disputes.

5.5 Confidentiality

6 Workers reported no issues at their Interviews and such issues are recorded within workers contractual papers.

5.6 Disciplinary and Grievance Procedures

On 19 November 2013, Jon Taylor (MD) also provided Inspector with disciplinary procedure which was stated to have been provided to each worker on commencement of employment (Exhibit GAC33:- LP Email 19 November 2013 Point 15 to Point 15 of Inspectors Email of 22 October 2013 and GAC33A: further Copy LP disciplinary procedure).

Such disciplinary procedure details not found by Inspector within sample workers papers copied by LP consultant XXXXXXXXX (See LS 7.3).

The LP disciplinary procedure was queried by HMRC (See Exhibit GAC20C) and LP advisors did respond to HMRC (See Exhibit GAC21C).

LP states any issues with workers expense claims affecting PAYE / NIC would need to be recovered by the LP from the worker. The 6 workers had no knowledge that such claims could be made against them.

Comment [x1]: Is this an exhibit from the LP to the re the HMRC review, or from HMRC? If the later it needs to be removed.

5.7 Discrimination

6 Workers reported no issues at their Interviews and PA stated he does not discriminate and such issues are recorded within workers contractual papers.

Licensing Standard 6: HEALTH AND SAFETY

6.1 Assigning Responsibility and Assessing Risk

The terms Of Business with the single GLA regulated LU were last signed in 2006 (See LS 7.4).

It is accepted that the LU takes full responsibility for workers placed on their sites and inductions cover their responsibilities with workers.

The LU completes the risk assessments on behalf of the LP.

The LU had daily contact with LP onsite consultant XXXXXXXX to address any H&S issues or training requirements.

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6.2 Instruction and Training

LP has admitted workers do not get paid induction time as an extended period of working time (See LS 2.2 and LS 3.3).

XXXXXXXXXX stated he felt he had time to undertake all inductions within the time he is allotted and he conversed with all workers in English.

LU HR Manager XXXXXXXXXXXX has also confirmed to Inspector that the LU did not pay the LP for induction periods but did not realise that the LP withheld such payment from workers.

The LP does have a specialist training division based at Trafford Park, Manchester. The LP own web page states:

"Working alongside compliance departments, we re-assess worker skills, identify areas of weakness and provide specific re-training. Our sophisticated portfolio of services means that we can advise clients on training courses to develop their staff's abilities and increase their productivity. Our headquarters and training school is located at Trafford Park but, for your convenience, we can provide a mobile service, deploying driving and Industrial trainers to any site within the 66-site Transline network, for any period from a single day to months".

Inspector confirmed with XXXXXXXXXXXX during his interview on 18 September 2013 that he is responsible for the full induction of GLA regulated workers employed at the only GLA regulated LU site. He outlined that he also had to explain the LP salary sacrifice scheme to workers at the inductions.

XXXXXXXXXX stated he complete workers applications, contractual papers and inductions for groups of new workers which was between 7 – 10 workers. He stated that workers queries were dealt with in a group basis and around 15 minutes only was provided for workers to complete their contractual papers.

XXXXXXXXXX stated that inductions will normally take place each Tuesday and last around 4 hours with half of that time solely provided for XXXXXXXXXXXX own induction requirements.

XXXXXXX was requested to provide all forms which he would complete with workers during the induction process. He explained that there is a pre-Application test stage which workers would need to pass before completing any further paperwork or inductions. The pre- Application stage covers the completion of an Occupational test and English Test (Exhibit GAC37: LP Occupational test and English Test).

Mark Elms (LP Director) provided Email confirmation to PA during the LP visit covering the English and Maths test and workers duties and SSP provisions (Exhibit GAC38: Mark Elms Email dated 16 September 2013 to XXXXXXXXXXX).

If workers pass this stage they complete the LP Application form, Medical Questionnaire, XXXXXXXXXXXXXXX Briefing document, LP new starter form and P46 (Exhibit GAC39: Copy LP Application form, Medical Questionnaire, XXXXXXXXXXXXXXX Briefing document, LP new starter form and P46).

Workers are also requested to sign contracts of employment but no copies are provided unless a worker specifically requests a copy. The worker Expenses guide is discussed but again not copied to workers. Workers are shown the pay rates (See LS 7.3).

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Following these application and contractual stages XXXXXXXX explained that he undertakes the LU formal induction process. This covers workers additional tests and XXXXXXXX provided copies of those 37 forms (Exhibit GAC40: LU XXXXXXXXXXXXXX 37 Page workers induction process).

These forms cover the LU Health Clearance, WTD Regulations 1998 Opt Out, Alcohol and Drug Policy, Computer User Policy, Hygiene, PPE Policy, Food storage and safety, Health and safety site rules, Fire procedures, Health and absence Line, First Aid, Induction checklist and Induction questionnaire test papers.

Inspector has concerns about the amount of time assigned to XXXXXXXX to complete all of these tasks and could be a reason as to why workers are so confused with the brief time allotted to discuss queries on employment contractual matters such as induction pay, SSP and salary sacrifice details.

6.3 Safety at Work

No obvious issues at the LU site which was visited by Inspector and selected areas visited identified no obvious issues. It was not possible to inspect the whole of this huge LU premises but areas visited did not highlight any H&S issues.

Workers reported no issues at their Interviews and were aware of how to report accidents to both the LU and LP.

LU XXXXXXXXXXXXXXXXXXXX provides all of the PPE free to the workers.

6.4 Transport

The LP does not provide any workplace transport for GLA regulated workers. Workers confirmed they provided their own transport and expenses are claimed under a salary sacrifice scheme.

6.5 Shellfish Gathering – Planning and Supervision

The LP has not and does not intend to source workers within shellfish sectors.

6.6 Shellfish Gathering – Getting to the Work Area

The LP has not and does not intend to source workers within shellfish sectors

6.7 Shellfish Gathering – Life Jackets and Life Rafts

The LP has not and does not intend to source workers within shellfish sectors.

6.8 Shellfish Gathering – Use of Boats

The LP has not and does not intend to source workers within shellfish sectors.

6.9 Shellfish Gathering – Permits and Licenses

The LP has not and does not intend to source workers within shellfish sectors.

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Licensing Standard 7: RECRUITMENT & CONTRACTUAL ARRANGEMENTS

7.1 Fees and Providing Additional Services

The LP states they consider workers have not paid any fees within the salary sacrifice scheme they Operate. No evidence of fees seen on the sample payslips.

Workers stated at their interviews with Inspector that they felt they had to join the LP salary sacrifice scheme and sign new contracts as part of their ongoing employment. Workers did not know as how opt out of the scheme.

Workers had been provided with little one to one guidance and time allotted for such contractual aspects during the Application and induction process was done on a group basis in very short periods (see LS 6.2).

7.2 Right to Work

Point 8 within Inspector Email to LP dated 22 October 2013 covers some workers previously supplied to XXXXXXXXXXXX who have been alleged as limited to work 20 hours per week during term time (See LS 2.1).

LP was requested to provide full details including timesheets of any such workers employed during the last 12 months who were limited to such employment periods.

On 13 December 2013 LP Emailed Inspector stating:

"Students are employed by the Company who are limited to 20 hours of work during term time. We have in place procedures for ensuring that students who are limited to 20 hours per week during term time do not work in excess of those hours. Any weeks were these workers have worked in excess of 20 hours are outside term time and therefore within the legislation governing foreign student working hours". (Exhibit GAC53: LP email 13 December re- term time Students).

LP has failed to provide time sheets covering all possible workers term time periods to prove that they were not in breach of such periods. Inspector has therefore been unable to fully test this standard.

LP consultant XXXXXXXX has presented evidence of induction papers and ID checks he undertakes (See LS 6.2 & LS 7.3) but those checks to do not specifically mention checks on students who are limited to 20 hours per week during term time.

7.3 Workers: Contractual Arrangements and Records

The workers confirmed that they did not hold any copies of Employment Contracts. They were confused as to what type of contract they held. The workers contracts provided by LP within GLA Application and AI visit stated it is a Contract Of Employment and a Contract of Service.

The contracts are only published in English and workers must request copies of contractual papers from XXXXXXXX during initial induction papers.
Workers were confused about their Employment rights in relation to SMP/ SPP/ SAP and did

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not understand the salary sacrifice scheme.

On 13 December 2013 LP confirmed by Email to Inspector stating "Prior to the introduction of our travel and subsistence scheme all GLA regulated workers were engaged as temporary workers on contracts for service and as such, no employment contracts were held by our GLA regulated workers which can be disclosed as requested" (previous Exhibit GAC54: LP E-mail dated 13 December 2013 re-workers contracts).

The Blank contract sent by LP within email of 19 November 2012 (Previous Exhibit GAC21E) states it is a 6408 Transline Terms Of Engagement with Temporary Workers. This was not previously presented to GLA within the QUAL0011 Application nor was it presented to Inspector at LP interviews. This suggests that contract is a revised contract. Inspector has made no request for any contracts to be revised.

LP also Emailed Inspector on 19 November 2013 with further worker documentation (Exhibit GAC20:-response to Point 1 of Inspectors Email of 22 October 2013 and attachments Exhibit GAC20A: LP Flex- handbook A5; Exhibit GAC20B: Flex Worker Handbook and Exhibit GAC20C: HMRC Fax 20 April 2013).

The above new workers handbooks were not present at the Inspectors LP onsite LU office visit and no mention of such booklets mentioned by workers.

On 19 November 2013, Jon Taylor (MD) also provided LP transline expenses guide flex workers attachment (previous Exhibit GAC22).

The above Email stated this is attachment is available to workers through the LP online portal but workers interviewed confirmed they had poor access to such information if they did not have their own computers. LP consultant XXXXXX stated workers only provided with a hard copy of expense scheme guides from the onsite office if workers requested it.

LP presented the example contracts and Expense scheme leaflets stated to be in use at that time for GLA regulated workers (See LS 1.1 and previous Exhibits GAC4).

The Contract provided by LP within their GLA QUAL0011 Application was the same as presented by LP onsite consultant XXXXXX during his interview with Inspector.

XXXXXX presented blank copies of workers contracts (which matched those presented with GLA Application) and associated papers as examples of paperwork he provided to workers during previous inductions (Exhibits GAC43: Copy blank workers Contractual forms and associated papers in use by LP at LU XXXXXXXXXXXX during Inspector visit).

That blank example LP Contract was the same as presented by XXXXXXXX for actual contracts signed by workers at the LU site (Exhibits GAC44: contract signed by GLA regulated worker XXXXXX and GAC44A: contract signed by GLA regulated worker XXXXXXX).

Page 1 of the Contract states it is a Contract of Employment in the heading but on the same page refers to the contract being a contract of service.

The contract consistently refers to workers as apprentices but workers did not know any they were apprentices.

Page 6 paragraph 18 of the contract states "the Flex Employee hereby expressly authorises

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Transline-Resources to vary his/ her wages at any time where Transline-Resources in its absolute discretion determines this"

Page 8 paragraph 35 of the contract states "there is no contractual right to payment in respect of periods of absence from work due to sickness or incapacity".

Page 8 Paragraph 42 of the contract covers workers automatically opting out of the 48 hours per week WTD averages once they sign the contract unless 3 months notice is provided by the worker to opt-in to the protection of the regulations.

These contractual papers are only available in English for what is a predominant migrant workforce. LP states versions are all available through online portal systems but workers have not automatically received a copy of their contracts during the application and induction process.

On 19 November 2013, Jon Taylor (MD) also provided Inspector with explanation on why these GLA regulated workers were stated to be Apprentices (Exhibit GAC30:- LP Email 19 November 2013 Point 12 to Point 12 of Inspectors Email of 22 October 2013).

The LP has stated Apprentices are employed by Qualitycourse Limited. They are employed on an overarching contract of employment which guarantees 336 hours in a 12 month period and provides for the provision of relevant training leading to a recognised qualification.

The workers interviewed did not consider that they were employed as apprentices. They also confirmed that they did not consider they had any choice but to sign revised contracts in July 2013 when the expense scheme commenced.

7.4 Labour User: Agreements and Records

All relevant information is maintained in relation to client's invoices and charge rates but the last terms of business were only signed by the LU in 2006. The LP only has one GLA regulated labour user.

The LU representative XXXXXXXXXX produced the LU own copy Terms OF Business with the LP which was stated as valid from 01 January 2006. This was then only signed by the LU on 6 July 2006 (Exhibit GAC45: LU XXXXXXXXXXXXXXXX copy Terms OF Business with the LP valid from 01 January 2006).

LP also provided rates paid to workers in respect of those invoices. This cover workers pre-12 week rates and post 12 week rates (Exhibit GAC50: LP workers rates at LU XXXXXXXXXXXXX).

The LP accepted that they had not signed that 2006 agreement with XXXXXXXXXX but LP Director Jon Taylor stated during the Inspectors visit that he did not consider there a need for such signatures as all parties had agreed the terms and were working to them over many years.

On 16 September 2013 visit PA presented Inspector with the LP blank copy of their generic current terms of business for clients which was a different version to that supplied by the LU (GAC45 above). The LP Terms is a generic copy used by the LP for all clients (Exhibit GAC51: Blank Copy LP current example client terms of business).

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7.5 Restriction on Charges to Labour Users

No such restrictions are placed on the LU by the LP outside of any legal provisions.

Licensing Standard 8: SUB-CONTRACTING & OTHER L/P's

8.1 Sub-Contracting & Using Other Labour Providers

No evidence of any such sub-contracting in place during previous trading periods and LP is aware that all LP's must hold GLA Licence.

LP was asked if they used any overseas LP's and they confirmed that no GLA regulated workers were sourced from overseas agents / LPs.

8.2 Records of Dealing with Other Licence Holders

No such sub-contractors used but LP is aware of records that need to be maintained.

HAVE YOU REMEMBERED TO FILL OUT THE STATISTICS SHEET?

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FOR STATISTICAL PURPOSES ONLY

You are required to submit statistics relating to the numbers of workers the GLA discovers to be subjected to physical, mental or financial abuse.

When such information is discovered you should record all available information relating to the number of workers involved, the category, total amount of any financial shortfall and the duration of the exploitation.

Please select from drop down list: See below

Exploitation:

Category	No of Workers	Amount	Duration
Physical	Click here to enter text.		
Mental	Click here to enter text.		
Wages	80	Not known	Since 2006 inductions and July 2013 expense schemes.
Holiday Pay	Click here to enter text.	Click here to enter text.	Click here to enter text.
Accommodation	Click here to enter text.	Click here to enter text.	Click here to enter text.
Transport	Click here to enter text.	Click here to enter text.	Click here to enter text.
Other			
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

Additional details or other information (include detail of any repayment made):	Workers did not get paid 2 hours time spent on inductions needed by LU. Workers are potentially claiming illegal expenses under HMRC dispensation and LP salary sacrifice scheme. LP and LU served with GLA warning letters following GLA Enforcement action in 2013.
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