

**CABINET
27 JUNE 2019**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: MODERN DAY SLAVERY TRANSPARENCY STATEMENT & CHARTER AGAINST MODERN SLAVERY

REPORT OF THE SERVICE DIRECTOR: LEGAL AND COMMUNITY & MONITORING OFFICER

EXECUTIVE MEMBER: COMMUNITY ENGAGEMENT

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 This reports requests that the Cabinet consider the Modern Slavery Transparency in Supply Chain Statement ('Transparency Statement'), consider actions to date and a referral to Council to adopt the Charter Against Modern Slavery (the 'Charter').

2. RECOMMENDATIONS

That Cabinet:

- 2.1. approves the Transparency Statement 2019-2020 (Appendix A).
2.2. notes the actions to date, as per the Action Plan (Appendix B).
2.3. considers, and then if deems appropriate,

*Recommends to Full Council:
That, the Council agrees to adopt the Charter Appendix C).*

3. REASONS FOR RECOMMENDATIONS

- 3.1 To consider the Transparency Statement and related matters.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. In terms of the Transparency Statement there is no legal requirement (see Legal Implications) to publish one and Cabinet could chose not to do so; however, the Local Government Associate advocates this as good practice.
4.2. In terms of the Charter, the Cabinet have the option of referring this to Full Council or not doing so.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member for Community Engagement and the Leader has requested that the issue of the Charter be considered by Cabinet and potentially by Full Council. No formal consultation has taken place with External organisations.

6. FORWARD PLAN

- 6.1 The Transparency Statement was first identified on the Forward Plan on 29 May. Full Council would consider any adoption of the Charter and that issue is therefore not being taken as an Executive decision that would be identified on the Forward Plan.

7. BACKGROUND

- 7.1. On 10 April 2018, a Motion was submitted to Full Council to adopt the Charter [[Click here to view Council page 10.4.18](#)].

- 7.2. An agreed amended Motion was subsequently carried:

“That, in view of evidence that modern slavery is hidden even in affluent areas like North Hertfordshire, this Council notes the legal duties imposed upon it in the Modern Slavery Act 2015, notes the training delivered by Hertfordshire Constabulary to the Council’s safeguarding group and agrees that the Council must seek to raise awareness of the signs of modern slavery and human trafficking in all its work and within the District. To achieve this the Council agrees to support the principles of the Modern Slavery Charter.”

- 7.3. Subsequently a Modern Day Slavery & Human Trafficking Action Plan was considered by the Senior Management Team in August and October 2018, the Executive Member kept informed and actions taken accordingly. This was reported through to Overview and Scrutiny Committee in December 2018¹. The updated Action Plan is appended at B with the actions and status.

8. RELEVANT CONSIDERATIONS

Transparency Statement

- 8.1 In terms of the Transparency Statement, the Modern Slavery Act places a requirement for certain commercial businesses to produce a Transparency Statement. Whilst these do not apply to Councils, it has been prepared on a voluntary basis as recommended by the Local Government Association².

¹ [[view report here](#)]

² <https://www.local.gov.uk/topics/community-safety/modern-slavery/transparency-statements>

8.2 The Transparency Statement at Appendix A is based on a similar LGA model. It had been anticipated that this would be first considered by the Council's Contract Procurement Group and then the Corporate Safeguarding Group prior to discussions with the Executive Member and approval by Cabinet at the end of July. Whilst the former consideration has taken place, the Corporate Safeguarding Group is due to meet on Friday 14 June (the day after reports are uploaded for the Special Cabinet meeting). Any further comments on the Transparency Statement may be uploaded and presented in any event at the Special Cabinet meeting - as it was felt prudent to bring both this and Charter considerations to a Cabinet meeting together.

8.3 If approved, the Transparency Statement will be placed on the Council's website, and actions/ outcomes reported where possible in the Annual Safeguarding report to the Overview and Scrutiny Committee.

Action plan

8.4 The Council's Action Plan appended at B and is a framework for demonstrating compliance with the statutory duties under the Act. Members will note that it does not include any steps regarding the Transparency Statement, or the Charter.

Charter Against Modern Slavery

8.5 Many Councils have signed up to the Charter and the commitment would be, as per Appendix C, to sign up to:

1. *Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.*
2. *Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.*
3. *Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.*
4. *Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.*
5. *Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.*
6. *Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.*
7. *Review its contractual spending regularly to identify any potential issues with modern slavery.*
8. *Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.*
9. *Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.*
10. *Report publicly on the implementation of this policy annually."*

8.6 As most of the requirements are procurement based, it was anticipated that the Contract Procurement Group would review and confirm any relevant issues for Cabinet's consideration. The Contract Procurement Group is next due to meet on 13 June (the day of reports being uploaded), and any additional comments shall be uploaded or reported after that. In the meantime the following is relevant:

1, 3, 7 -10 are largely feasible. More particularly:

2. It would be possible to include a standard clause within our contracts; however, we do not always contract on the Local Authority's standard terms – it may be contractor's pro-forma. Sometimes the contractor's accept amendments and others not.

In the event of refusal then this would delay procurement, or possibly mean that there was no suitable alternative (although it is difficult to quantify the extent that this will be an issue).

3. That we do challenge abnormally low tenders and would raise enquiries if staffing costs appear low. This helps to ensure the sustainability of the contractor, as well indicating modern slavery risks.

4. Contract managers may raise this at a contract meeting; however with small suppliers (particularly suppliers of commodity items like stationery) there may not be a contract meeting so it is unclear how the Council could achieve this in practice for all contractors.

5. The Council has a Whistleblowing Policy in the internet and guidance for managers is available on the intranet. All employees, agency staff and Members are encouraged to use this. It is due to be reviewed this civic year 2019/20.

6. The Council may not be able to achieve this in every case, particularly when contracting on suppliers' standard terms and conditions and when using frameworks.

8.7 The Charter is stated as going beyond the legal requirements set out in the Modern Slavery Act. Some of the requirements will need larger service manager engagement, and for this reason it is anticipated that some form of annual SMT review report would be required, prior to reporting this issue through in the Annual Safeguarding Report to Overview & Scrutiny.

8.8 If Cabinet decides to refer the Charter for adoption to Full Council, then it should be aware that there would appear to be no formal requirement post Council resolution, other than signing off the document, which is understood to be largely ceremonial.

General:

8.9 For information purposes, Members should be aware that the Council also works with other bodies in this key area, including the Police and the Hertfordshire Modern Slavery Partnership. The Council's External Enforcement Agents have also undertaken the Council's Safeguarding and Modern Day Slavery Courses.

9. LEGAL IMPLICATIONS

- 9.1. The Modern Slavery Act 2015 places certain legal duties upon public and private organisations. With specific reference to this report, section 54 includes a requirement: *“A commercial organisation within subsection (2) must prepare a slavery and human trafficking statement for each financial year of the organisation.*
(2) A commercial organisation is within this subsection if it—
(a) supplies goods or services, and
(b) has a total turnover of not less than an amount prescribed by regulations made by the Secretary of State.
(3) For the purposes of subsection (2)(b), an organisation's total turnover is to be determined in accordance with regulations made by the Secretary of State.”
- 9.2 The Act prescribes that ‘commercial organisations’ that supply goods and services with a turnover of at least £36m must adopt a Transparency Statement. This does not apply to local authorities as per the definitions in the legislation, as:
- 9.2.1 They are not ‘commercial organisations’, particularly in relation to the supply of goods and services;
- 9.2.2 They do not have a turnover, and the £36m is linked to definitions within the Companies Act, which does not apply to Local Authorities;
- 9.2.3 Whilst the Council has gross expenditure for 2018/19 of £66m (which must be matched by income and therefore could be defined as turnover), this is skewed by Housing Benefit payments which the Council administers on behalf of Central Government. Excluding Housing Benefit, would take any measure of “turnover” below the £36m limit.

However adoption of a Transparency Statement is recommended *as good practice* by the Local Government Association.

- 9.3 The Cabinet’s terms of reference include: 5.6.28 *“To make decisions where a policy or strategy does not exist”*. In terms of the Charter, the recommendation to Council would in effect be for the Council, under its terms of reference 4.4.1(t),[to] *“arranging for the discharge of any other functions of the Authority which are not executive functions.”*
- 9.4 Note that signing the Charter would largely be a ceremonial matter; however, if a formally signed document is required by the Co-operative Party, this would have to comply with the Council’s Constitutional arrangements (namely signed by an authorised officer).

10. FINANCIAL IMPLICATIONS

- 10.1 There are not expected to be any direct revenue or capital implications arising from this report, other than the training costs for the certificate (valid for 12 months) in Ethical Procurement and Supply – which at the 2018 level was £38 plus VAT per person.

11. RISK IMPLICATIONS

- 11.1 The actions in this report should help to reduce the Council’s risks in relation to Modern Slavery. As highlighted in paragraph 8.5 there is a risk that if the terms of the Charter were applied too rigidly, it could limit the Council’s ability to enter in to some necessary contracts, even though there was no actual indication of Modern Slavery concerns.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The introduction of the Transparency Statement, supported by relevant and development opportunities outlined, is a positive step to raise awareness amongst any employee or worker delivering services on behalf of the Council. The introduction of the statement supports the Council's commitment to eradicate slavery in any form.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and "go local" policy do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1. Safeguarding and operational support (identifying and referring victims, disrupting activities and supporting police and partner operations specifically tackling modern slavery) for modern slavery matters is ordinarily covered by the Community Protection team (within the Legal and Community Directorate since June 2018) and the Corporate Safeguarding Group. Procurement work and related actions are covered by the Legal Services team, also within that Directorate. It is not envisaged that the actions arising from the report would necessarily increase workload. Modern Slavery is reported to Overview and Scrutiny annually, as part of the Annual Safeguarding Report. If the Charter is adopted, then this practice would continue, albeit that procurement and service managers would have to report any issues through to be incorporated into this report.
- 14.2. As Cabinet will note from the Action Plan, training has been provided in various forms. Further training and costs associated with the Charter will apply.

15. APPENDICES

- 15.1 Appendix A – Transparency Statement on Modern Slavery
- 15.2 Appendix B – Modern Slavery & Human Trafficking Action Plan 2018-2021 (rev.6.19)
- 15.3 Appendix C - Co-operative party Charter Against Modern Slavery extract page 2 Charter from Modern Slavery briefing

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1. Council Motion and Full Council minutes of 10 April 2018 <https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MIId=155&Ver=4>

17.2. Annual Review of Safeguarding Children and Adults at Risk Overview and Scrutiny meeting 11 December 2018 <http://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=134&MIId=2035&Ver=4>

General – Modern Slavery:

17.3. Modern Slavery Act, 2015 Legislation:
<http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

17.4. Government website <https://www.gov.uk/government/collections/modern-slavery>

17.5. Local Government Association website (link to LGA Modern Slavery publication)
<https://www.local.gov.uk/topics/community-safety/modern-slavery>

17.6. Hertfordshire Constabulary website <https://www.herts.police.uk/Information-and-services/Advice/Modern-slavery/Modern-slavery>

17.7. Police and Crime Commissioner for Hertfordshire website
<http://www.hertscommissioner.org/modern-slavery>

17.8. Shiva Foundation website
<http://www.shivafoundation.org.uk/>

17.9. The Co-Operative Party website <https://party.coop/local/councillors/modern-slavery-charter/>