

Report

Report to:	South Lanarkshire Council
Date of Meeting:	19 December 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Modern Day Slavery Charter
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1. Purpose of Report

1.1. The purpose of the report is to:-

- request approval for the adoption of the Modern Day Slavery Charter

2. Recommendation(s)

2.1. The Council is asked to approve the following recommendation(s):-

- (1) that adoption of the Modern Day Slavery Charter be approved; and
- (2) that the contents of the report outlining the approach to be taken in relation to the implementation of the Charter be noted.

3. Background

- 3.1. The Modern Slavery Act 2015 provides law enforcement tools to fight modern slavery, ensure perpetrators receive suitably severe punishments for these crimes and enhance support and protection for victims.
- 3.2. Section 54 of the Modern Slavery Act 2015 requires commercial organisations with a turnover greater than £36m to develop a slavery and human trafficking statement each year. This would apply to companies contracting with the council.
- 3.3. This statement must set out what steps they have taken during the financial year to ensure that modern slavery is not occurring in their supply chains and in their own organisation.
- 3.4. The Modern Slavery Act requires a slavery and human trafficking statement to be approved and signed by an appropriate senior person in the business.
- 3.5. The Act requires each organisation to publish a slavery and human trafficking statement on their website and include a link in a prominent place on its homepage. For those organisations that do not have a website, a copy of the statement is to be provided to anyone who requests one in writing.
- 3.6. If an organisation fails to produce a slavery and human trafficking statement for a particular financial year, the Secretary of State may seek an injunction through the High Court (or, in Scotland civil proceedings for specific performance of a statutory duty under section 45 of the Court of Session Act 1988) requiring the organisation to comply. If the organisation fails to comply with the injunction, they will be in contempt of a court order, which is punishable by an unlimited fine.

4. Current position

- 4.1. The Council currently takes a number of steps to limit the potential for human exploitation in the supply chain and also to improve the employment conditions for those employed by suppliers.
- 4.2. A Modern Slavery Act Declaration is included in all tenders. The declaration requires contractors to produce an annual slavery and trafficking statement as required in terms of the Modern Slavery Act 2015 and to acknowledge that the Council will be entitled to terminate the contract and to recover from them the amount of any associated loss resulting from such termination if they have failed to comply with the requirements of the Act. The declaration requires to be completed and returned by all commercial organisations.
- 4.3. In addition, the Council's terms and conditions of contract place a statutory obligation on contractors to comply with the standards and all applicable law in performing its obligations under the contract.
- 4.4. Existing procurement legislation also requires the Council to investigate abnormally low cost tenders.
- 4.5. Section 9 of the Procurement Reform (Scotland) Act 2014 asks councils to consider how they can improve the economic, social and environmental wellbeing of the authority's area, including consideration of policies to promote Fair Work Practices in relevant public contracts.
- 4.6. In assessing the relevance of Fair Work Practices to the contract, the Council considers whether there is any previous experience of poor or exploitative work practices in the sector or evidence that low pay make staff recruitment and retention difficult.

5. Proposal

- 5.1. The Co-operative Party have launched a Modern Day Slavery Charter and are looking to roll this out across UK councils. A number of Scottish Councils have already adopted the Charter including Renfrewshire, Dundee City Council, North Ayrshire and the City of Edinburgh.
- 5.2. The Charter commits the Council to:
 1. Train its Procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply (CIPS) online course on Ethical Procurement and Supply.
 2. Require its contractors to comply fully with the Human Trafficking and Exploitation (Scotland) Act 2015 and the Modern Slavery Act 2015 wherever they apply, with contract termination as a potential sanction of 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 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 policy for staff to report any suspected examples of modern slavery.

6. Encourage tendered contractors to adopt a whistle-blowing policy which enables their staff to report any suspected examples of modern slavery.
7. Review the contractual spending regularly to identify any potential issues with modern slavery.
8. Highlight for 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 contractors identified as a cause for concern regarding modern slavery.
10. Report publicly on the implementation of this policy annually.
11. Ensure close cooperation with Police Scotland and other relevant Scottish and UK Government Agencies.

5.3. Appendix 1 provides further detail on each of the commitments in the Charter and how they will be implemented.

6. Employee Implications

- 6.1. Procurement staff will be required to complete the CIPS training and ensure sufficient time is allocated to the monitoring and reporting arrangements associated with the adoption of the Charter.

7. Financial Implications

- 7.1. There are no direct financial implications.

8. Other Implications

- 8.1. The risk of procuring services from contractors engaged in the practices of modern slavery is reduced through the existing use of the Modern Slavery Act Declaration. The adoption of the Modern Day Slavery Charter will further reduce this risk.
- 8.2. In addition, the approach taken should provide a significant deterrent effect to those companies engaged in modern slavery from participating in Council procurement exercises.

9 Equalities Impact Assessment and Consultation Arrangements

- 9.1. An Equality Impact Assessment has been carried out and no negative impact on any specific equality group has been identified.
- 9.2. Consultation and engagement with Council Officers and relevant agencies has taken place in the preparation of this report.

Paul Manning
Executive Director (Finance and Corporate Resources)

21 November 2018

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self aware and improving
- ◆ Focused on people and their needs

Previous References

- ◆ None.

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Craig Fergusson, Head of Finance (Transactions)

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Modern Day Slavery Charter

No	Commitment	Implementation	Timescale	Responsibility
1	Train its Procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply (CIPS) online course on Ethical Procurement and Supply.	This will be progressed through the Councils Procurement Forum and extended to key contract staff in Resources where appropriate.	March 2019	Head of Finance (Transactions)
2	Require its contractors to comply fully with the Human Trafficking and Exploitation (Scotland) Act 2015 and the Modern Slavery Act 2015 wherever they apply, with contract termination as a potential sanction of non-compliance.	No further action required as this is already covered via the Modern Slavery Declaration included in tenders and terms and conditions.	N/A	Head of Admin and Legal Services
3	Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.	No further action required as this is already undertaken by the Procurement Team and Legal Services.	N/A	Head of Finance (Transactions) / Head of Admin and Legal Services
4	Highlight to suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.	Bidders will be referred to the charter in tender documentation.	February 2019	Head of Finance (Transactions) / Head of Admin and Legal Services
5	Publicise its whistle-blowing policy for staff to blow the whistle on any suspected examples of modern slavery.	Existing whistle-blowing policy to be updated to reflect the commitment with communication to staff and publication on internet to then follow.	February 2019	Internal Audit Manager
6	Encourage tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.	Bidders will be referred to the charter in tender documentation.	March 2019	Head of Finance (Transactions) / Head of Admin and Legal Services
7	Review the contractual spending regularly to identify any potential issues with modern slavery.	Contractual spending is reviewed on a regular basis.	Ongoing	Head of Finance (Transactions) / Resource

				Contract Managers
8	Highlight for suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.	The highlighting of risks to suppliers and the provision of information on the appropriate agencies to them would be actioned by Procurement.	As required	Head of Finance (Transactions)
9	Refer for investigation via the National Crime Agency's national referral mechanism any contractors identified as a cause for concern regarding modern slavery.	Referrals to the National Crime Agency be actioned by Internal Audit.	As required	Internal Audit Manager
10	Report publicly on the implementation this policy annually.	An update will be provided in the Council's Annual Procurement report.	Annual	Head of Finance (Transactions)
11	Ensure close cooperation with Police Scotland and other relevant Scottish and UK Government Agencies.	The Council participates in a number of multi-agency groups with Police Scotland and other partners. The Strategic Group currently chaired by the Council would consider areas of concern in relation to modern slavery raised by the Council or contractors.	Ongoing	Head of Finance (Transactions)