

Overview and Scrutiny Committee Report

Ward(s) affected: All wards

Report of Director of Transformation & Governance

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## Annual Report: Modern Slavery Motion

### Executive Summary

The Modern Slavery Charter was adopted in February 2020 by the then Leader of the Council in order to implement measures to respond to the rise in modern slavery in its safeguarding policy and procedures. The primary aim of the Charter is to tackle exploitation in Guildford.

The Charter sets out specific measures to be undertaken in order to demonstrate adoption of the motion. Part of the commitment to adopt the motion is to report annually on the implementation of the Policy.

This annual report therefore outlines how the Council, through Procurement and contracting, continue to implement the Modern Slavery Motion. There are ten specific measures which this report outlines progress to date. Additional steps the Council are working towards to strengthen this work area includes consideration of some emerging policy from the Home Office published in September 2020 requiring certain organisations with a turnover exceeding £36 million to produce a Modern Slavery Statement within 6 months of the preceding Financial Year.

The Home Office Modern Slavery Statement 2020-2021 (the lead government department for crime (including modern slavery)) have published a package of measures to strengthen the transparency legislation including:

- Extending the reporting requirement to public bodies with a budget of £36 million or more
- Mandating the specific reporting topics statements must cover
- Requiring organisations to publish their statement on the new government modern slavery statement register
- and setting a single reporting deadline by which all modern slavery statements must be published.

The report concludes that the Council are currently undertaking sufficient measures to mitigate any potential Modern Slavery and or associated actions and should proceed to review the additional measures recommended by the Home Office.

### **Recommendation to Committee**

That the Committee notes the annual update report on the Modern Slavery Motion for Financial year ending 31 March 2022.

#### Reason(s) for Recommendation:

The Council have an obligation to report annually on the implementation of the Policy.

### **Is the report (or part of it) exempt from publication?**

No

## **1. Purpose of Report**

- 1.1 To provide an annual report (for financial year ending 31 March 2022) as specified within the Modern Slavery Motion to demonstrate progress and measures taken to implement the Motion on practice through Contracting and Procurement.

## **2. Strategic Priorities**

- 2.1 Procurement supports the Council's Strategic Framework, in particular the Innovation theme as it encourages sustainable and proportionate economic growth to help provide the prosperity and employment that people need.
- 2.2 Procurement and Commissioning is a highly innovative work area which utilises technology and new ways of working to improve value for money and efficiency in Council services.

## **3. Background**

- 1.1 The Leader of the Council took the decision in 2020 to adopt the Modern Slavery Motion, see Appendix 1, as part of the Council's response to the rise in Modern Slavery.
- 1.2 The measures in Table 1 below have been implemented and progress updates have been provided which outline how Modern Slavery mitigation has been embedded in practice.

Table 1 – Measures and Progress of implementation of the Modern Slavery Motion

No	Modern Slavery Motion Measure	Progress Update
1	Train the Procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.	All procurement team members have undertaken the specified CIPS training and assessment.
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.	A clause is included in all the Council's Terms and Conditions which are issued for contracts by Legal Services. Legal Services also ensure that where alternate Terms and Conditions are used they contain a clause requiring the same level of compliance.
3	Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.	Abnormally low Tenders have been challenged (and some rejected) in line with the Public Contract Regulations 2015. Only when a satisfactory reason is received to justify the abnormally low price would the Tender be considered compliant and therefore accepted. This will include consideration of whether the contractor is 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.	A paragraph has been added into the template Invitation to Tender (ITT) and Request for Quotation (RFQ) documents.
5	Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.	Under the modern slavery paragraph in the ITT and RFQ it is stated that the Council will report any contractor expected of being involved with Modern Slavery.
6	Require its contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.	This has been included in the ITT and RFQ stating that contractors have to abide by the Council's whistleblowing policy.
7	Review its contractual spending regularly to identify any potential issues with modern slavery.	The Council's Procurement Strategy adopted on 26 May 2020 specifies a Category Management model and a key component of this is spend analysis and visibility of expenditure across the organisation which is actively taking place.
8	Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.	A section within the ITT and RFQ stipulates that any indications of Modern Slavery will be reported to the National Crime Agency for investigation.
9	Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors	The Council has not made any referrals to date because there have not been any

	identified as a cause for concern regarding modern slavery.	contractors identified as a cause of concern regarding modern slavery.
10	Report publicly on the implementation of this policy annually.	This report is the second annual report and there will be a further report available in 2023.

- 1.3 There is some additional work which is in development to further support the implementation of Modern Slavery mitigation measures.
- 1.4 Guildford Borough Council have published the Modern Slavery Motion together with PDF versions of the Council's Ethical Procurement Statement and Supplier Code of Conduct.
- 1.5 Consideration should also be made of some emerging policy from the Home Office published in September 2020 which requires certain organisations with a turnover exceeding £36 million to produce a Modern Slavery Statement for each Financial Year. The Government have outlined the intention to roll this out within Local Government and also for organisations of the same financial standing.
- 1.6 The Council should consider further training to teams responsible for contract management to assist identification of Modern Slavery when services are being delivered for the Council.
- 1.7 The Government have now released a Modern Slavery statement registry over 6,000 statements have been submitted covering over 20,000 organisations on a voluntary basis. The Council should publish the 2022 statement on the registry.
- 1.8 The Council should review the Home Office developments listed below:
- a) A modern slavery risk prioritisation tool which aims to help departments risk assess their contracts in accordance with the Cabinet Office Procurement Policy Note – Tackling Modern Slavery in Government Supply Chains Action Note PPN 05/19 September 2019 guidance more easily.
  - b) An induction pack for anti-slavery advocates to ensure senior commercial directors are better equipped to oversee how their department is tackling modern slavery
  - c) Guidance on modern slavery statements to ensure departments have a clear understanding of key information they must include in their first statements
  - d) Guidance on developing modern slavery KPIs to help departments measure the effectiveness of the measures they are taking to combat modern slavery.

#### **4. Consultations**

- 4.1 Cllr Tim Anderson – Lead Councillor for Resources.

## **5. Key Risks**

- 1.9 If progress is not demonstrated in relation to Modern Slavery and an annual report provided to Committee the Council are not fulfilling their obligations under the Modern Slavery Motion.
- 1.10 If progress is not made in this area and robust measures implemented there is a risk that exploitation could take place through the supply chain in Council contracts. It is paramount therefore that robust measures as outlined in section three are continued and progress is reported to the Committee on an annual basis.
- 1.11 Financial penalties may be imposed on organisations who fail to meet their statutory obligation to publish annual modern slavery statements.

## **6. Financial Implications**

- 6.1 Financial penalties may be imposed if the Council does not meet its statutory obligations
- 6.2 Resource costs to undertake additional internal training as recommended.

## **7. Legal Implications**

- 7.1 The Council as a public body has a duty to ensure that it is not complicit in modern slavery practice by utilising contractors who are breaching the Act. The Council by including a Modern Slavery clause in its contract terms is passing its duty onto its contractors and any sub-contractors.
- 7.2 The Modern Slavery Act 2015 (the 'Act') is aimed at preventing crimes of slavery and human trafficking. It is mandatory for the Council to prepare and publish a slavery and human trafficking statement under s.54 of the Act if its annual aggregate turnover is more than £36million. However, whether or not this condition is met it is still considered best practice for public bodies to prepare and publish these statements.

## **8. Human Resource Implications**

8.1 No specific HR implications apply.

## **9. Equality and Diversity Implications**

9.1 This report concerns ethical procurement and the eradication of Modern Slavery in Council contracts, there is therefore a strong theme of equality running throughout this report.

## **10. Climate Change/Sustainability Implications**

10.1 No specific Climate change/sustainability implications apply

## **11. Suggested issues for overview and scrutiny**

11.1 Overview and Scrutiny are asked to note the annual update report.

## **12. Summary of Options**

12.1 Option 1 - to note the contents of this report including the further measures which can be undertaken in order to strengthen the Council's response to Modern Slavery.

12.2 Option 2 - to not consider this report.

## **13. Conclusion**

1.12 By signing up to the Modern Slavery Charter, the Council have committed to implementing the steps outlined in Table One in section 3.2 of this report.

1.13 The Council should review the Home Office developments in section 3.8 of this report for future reporting

1.14 The Council will continually monitor progress in this area ensuring best practice is adhered to.

## **14. Background Papers**

1.15 Home Office Modern Slavery Statement 01 April 2020 – 31 March 2021

1.16 Cabinet Office Procurement Policy Note – Tackling Modern Slavery in Government Supply Chains Action Note PPN 05/19 September 2019

## **15. Appendices**

Modern Day Slavery Motion – 07 February 2020

Annual Report: Modern Day Slavery Motion - 08 June 2021

Home Office Modern Slavery Statement 01 April 2020 – 31 March 2021