

**REPORT TO:** Executive Board

**DATE:** 19 July 2018

**REPORTING OFFICER:** Strategic Director  
Enterprise, Community and Resources

**PORTFOLIO:** Community Safety

**SUBJECT:** Modern Slavery Act Transparency Statement

**WARDS:** All

## **1.0 PURPOSE OF THE REPORT**

1.1 To seek Executive Board's approval to the publication of the attached Modern Slavery Act Transparency Statement for 2017/18.

## **2.0 RECOMMENDATION: That**

- 1) the Modern Slavery Act Transparency Statement (attached) be approved for publication; and**
- 2) the oversight of the prevention of Modern Slavery and Human Trafficking be formally identified within the Community Safety Portfolio.**

## **3.0 SUPPORTING INFORMATION**

3.1 The term 'Modern Slavery' captures a whole range of types of exploitation, many of which occur together. These include but are not limited to:

- sexual exploitation
- domestic servitude
- forced labour
- criminal exploitation
- other forms of exploitation: organ removal; forced begging; forced benefit fraud; forced marriage and illegal adoption.

- 3.2 The Modern Slavery Act 2015 consolidated all offences relating to trafficking and slavery. Its key areas include:
- new civil orders to prevent modern slavery
  - an Independent Anti-Slavery Commissioner
  - provision for the protection of modern slavery victims.
- 3.3 The Council, at its meeting held on 17 October 2017, passed a Motion that supported the implementation of the Modern Slavery Act 2015. That Motion, amongst other things, committed the Council to publishing annually, its own Modern Slavery Transparency Statement. This report and recommendation puts that commitment into place.
- 3.4 Local Authorities have a number of duties as a result of the Act. The 'duty to notify' provision for specified public authorities is set out in the Modern Slavery Act. From 1 November 2015, local authorities have a duty to notify the Home Office of any individual encountered in England and Wales who they believe is a suspected victim of slavery or human trafficking.
- 3.5 A range of government resources explain the meaning of 'duty to notify' and explain what organisations need to do if you think someone has been a victim of modern slavery.
- 3.6 The National Referral Mechanism (NRM) is the process by which potential victims of modern slavery, including human trafficking, are identified. The NRM was extended to all victims of modern slavery - both children and adults - in England and Wales following the implementation of the Modern Slavery Act. Statutory guidance relating to this can be found here:  
<https://www.gov.uk/government/publications/human-trafficking-victims-referral-and-assessment-forms/guidance-on-the-national-referral-mechanism-for-potential-adult-victims-of-modern-slavery-england-and-wales>
- 3.7 It is estimated that there were between 10,000 and 13,000 potential victims of modern slavery in the UK in 2013 but in 2015, only 3,266 potential victims were identified and referred to the NRM. The Duty to Notify is intended to gather better data about modern slavery.
- 3.8 Section 54 of the Modern Slavery Act 2015 was brought into force on 29 October 2015 and requires employers of organisations with an annual turnover in excess of £36m to produce a modern slavery statement for each financial year. Halton Borough Council is included in this requirement.
- 3.9 The Modern Slavery Act does not dictate what a statement must include or how it should be structured. It does, however, provide a non-exhaustive list of information that the employer's slavery and human trafficking statement might include:
- its structure, business and supply chains;

- its policies in relation to slavery and human trafficking;
- its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps that it has taken to assess and manage that risk;
- its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;
- the training about slavery and human trafficking available to staff

## **4 POLICY IMPLICATIONS**

- 4.1 The provision requires companies to be transparent about what is happening within its business. This therefore means that if a company has not taken steps to ensure slavery and human trafficking is not present in its supply chain, then they must still publish a statement for the financial year, stating this to be the case.
- 4.2 The Modern Slavery and Human Trafficking Transparency Statement needs to cover the period of the previous financial year. The Government expects organisations to publish their statement as soon as reasonably practicable after the end of the financial year, and strongly encourage this to be within the first 6 months after the close of the year.
- 4.3 The Modern Slavery Transparency Statement is a public-facing document that should be accessible from the homepage of the website. It is recommended that the statement should be written in simple language and be easily understandable. It must also be approved and signed by a director, or elected member.
- 4.4 If an organisation covered by the Act fails to produce a modern slavery and human trafficking statement for a particular financial year, the Secretary of State may seek an injunction through the High Court requiring the organisation to comply. Failure to comply with the injunction would constitute contempt of a court order, which is punishable by an unlimited fine. The reputational damage from the publicity this would attract could also be high.
- 4.5 It is advisable to keep the statement succinct, cover all the relevant points and where possible provide additional links to other relevant publications, documents or policies.
- 4.6 It is recommended that organisations covered by the Act ensure accountability through ownership of modern slavery issues by an appointed board member. This ensures that that the reputational and financial risks associated with modern slavery issue are considered in strategic decision making at the highest level.

- 4.7 The Modern Slavery Transparency Statement should not just contain generic statements to the effect that the organisation does not tolerate human trafficking or labour exploitation in its supply chain, but should actually detail the steps taken by the company to prevent modern slavery in both its supply chains and its own business.
- 4.8 Audits of statements from previous years have shown companies are comfortable stating their policies and describing existing audit processes but are reticent about revealing the actual risks of modern slavery that might exist within their businesses or supply chains. It is recommended that having both a clear understanding of Modern Slavery issues and mapping the risk areas along the supply chain would be beneficial going forward into 2018/19.
- 4.9 A draft Modern Slavery and Human Trafficking Statement for the Council for 2017/18 is attached at Appendix 1 for the Board's consideration and approval.

## **5 FINANCIAL IMPLICATIONS**

- 5.1 As an organisation with an annual turnover in excess of £36 million, the Council is required to produce a Modern Slavery Transparency Statement in accordance with the Modern Slavery Act 2015.
- 5.2 The Modern Slavery Act introduces tougher penalties and sentencing rules in addition to a tough asset recovery regime; where profits made through slavery and/ or human trafficking can be seized, in addition to any vehicles, ships or aircraft used for the purposes of trafficking. The Act encourages courts to use confiscated assets to compensate victims.

## **6 IMPLICATIONS FOR THE COUNCILS PRIORITIES**

- 6.1 The Modern Slavery Act has implications for the Health and Children and Young People priority in relation to issues relating to safeguarding.
- 6.2 The Act has implications for the Employment, Learning and Skills priority in relation to ensuring safe recruitment and fair pay and employment practices across the borough.
- 6.3 The Act has implications for the Safer Halton priority in relation to the direct combatting of slavery and human trafficking.
- 6.4 The Act has implications for Corporate Effectiveness and Business Efficiency in relation to ensuring that the Council's supply chain is free from modern slavery and exploitation.

## **7 RISK ANALYSIS**

- 7.1 There are a number of reputational and financial risks associated with modern slavery issue, which need to be considered in strategic decision-making. It is recommended that having both a clear understanding of Modern Slavery

issues and mapping the risk areas along the supply chain would be beneficial going forward into 2018/19

- 7.2 The Councils supply chain has a potentially global reach and there may be many links in the supply chain which could potentially be involved in modern slavery and which would be almost impossible to monitor in their entirety. The Council can only realistically concentrate its resources on ensuring that the immediate supplier does not support modern slavery, and to require through its contracts that suppliers ensure that their supply chain is free from modern slavery.
- 7.3 The Modern Slavery Act introduces tougher penalties and sentencing rules in addition to a tough asset recovery regime; where profits made through slavery and/ or human trafficking can be seized, in addition to any vehicles, ships or aircraft used for the purposes of trafficking. The Act encourages courts to use confiscated assets to compensate victims.
- 7.4 If an organisation covered by the Act 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 requiring the organisation to comply. Failure to comply with the injunction could constitute contempt of a court order, which is punishable by an unlimited fine. The reputational damage from the publicity this would attract could also be damaging
- 7.5 Whilst there is no requirement to say that any steps have been taken to prevent slavery as part of that statement, there is however, a reputational risk to be considered in failing to ensure that actions to combat modern slavery have been taken.

## **8.0 EQUALITY AND DIVERSITY IMPLICATIONS**

- 8.1 Halton Borough Council is committed to ensuring that it provides an environment with equality of opportunity that is free of discrimination, unfair or unlawful treatment. As such it fully supports the aims of the Modern Slavery Act and this is reflected through the Modern Slavery Transparency Statement.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100d OF THE LOCAL GOVERNMENT ACT 1972.**

<b>Document</b>	<b>Place of Inspection</b>	<b>Officer</b>
Modern Slavery Act 2015	Kingsway House	Richard Rout
Transparency in Supply Chains, A Practical Guide	Kingsway House	Richard Rout

**Halton Borough Council Modern Slavery Act Transparency Statement**

Modern Slavery is a crime, and an abuse of human rights. The Modern Slavery Act became law on 26 March 2015. It is designed to tackle the offences of 'slavery, servitude and forced or compulsory labour' and 'human trafficking'.

The Act contains a '**Transparency in Supply Chains Clause**' (54) which aims to encourage businesses to be more transparent about what they are doing and increase their accountability for any slavery & human trafficking within their business and their supply chain(s).

Under this clause organisations with:

- a turnover of £36 million or more
- Supplies goods and/or services

**MUST** prepare and publish a 'Slavery & Human Trafficking' statement **each financial year**.

Modern slavery includes:

- Forced labour; Victims are forced to work against their will, often working very long hours for little or no pay in dire conditions under verbal or physical threats of violence.
- Debt bondage; Victims are forced to work to pay off debts that realistically they will never be able to.
- Sexual exploitation; Victims are forced to perform non-consensual or abusive sexual acts against their will, such as prostitution, escort work and pornography. Adults are coerced often under the threat of force, or another penalty.
- Criminal exploitation; Often controlled and maltreated, victims are forced into crimes such as cannabis cultivation or pick pocketing against their will.
- Domestic servitude: Victims are forced to carry out housework and domestic chores with little or no pay, restricted movement, very limited or no free time and minimal privacy often sleeping where they work.

Halton Borough Council supports the implementation of the Modern Slavery Act 2015. This statement sets out the Council's actions to understand the potential modern slavery risks related to its business and the steps it has put in place to ensure that no slavery or human trafficking takes place in its own business or through its supply chains.

The Council provides a wide range of statutory and discretionary services for its residents, businesses, visitors and wider public and consequently purchases a wide range of goods and services from third party suppliers.

The Council recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Council's responsibility as an employer, it also acknowledges its duty as a Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015.

The Council is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking

### **Council Constitution**

The Council's Constitution sets out a range of policies and procedures relating to officer and member codes of conduct, as well as policies and standing orders relating to procurement and whistleblowing. The Constitution is reviewed on an annual basis.

<http://councillors.halton.gov.uk/ieListDocuments.aspx?CId=649&MId=5870&Ver=4&info=1>

### **Policies and Processes in relation to slavery and human trafficking**

The Council reviews its policies and procedures on an ongoing basis to ensure they remain compliant and fit for purpose. The following policies and procedures are considered to be key in meeting the requirements of the Modern Slavery Act.

### **Safeguarding**

The Council embraces its responsibility to develop, implement and monitor policies and procedures to safeguard the welfare of children and 'adults at risk' of abuse, harassment, neglect or exploitation. A wide range of training relating to the safeguarding of both children and adults is also available

The Council works within multi-agency partnerships, such as the Halton Safeguarding Children Board and the Halton Safeguarding Adults Board to protect and safeguard people.

<http://www3.halton.gov.uk/Pages/health/PDF/safeguard/Safeguardguidance.pdf>

<http://haltonsafeguarding.co.uk/>

## **Procurement**

The Council procures goods and services from various suppliers and this is governed by our procurement strategy.

Halton Borough Council operates a fair and open competition by following transparent and auditable procedures in all of its tendering and contracting activity. It aims to provide a wide range of businesses with a variety of commercial opportunities by publishing all its opportunities in excess of £1,000. To trade with the Council businesses need to register on the North West e tendering portal [The Chest](#).

Further information about the Council's Procurement practices can be found here: <https://www3.halton.gov.uk/Pages/business/doingbusinesswithus/doing-business-with-us.aspx>

## **Recruitment**

The Council's recruitment processes are transparent and reviewed regularly. They include robust procedures for vetting new employees, which ensures they are able to confirm their identities and qualifications, and they are paid directly into an appropriate, personal bank account. To comply with the Asylum, Immigration and Nationality Act 2006, all prospective employees are asked to supply evidence of their eligibility to work in the UK. References are also requested and followed up.

## **Agency Workers**

The Council uses the only reputable employment agencies to source labour. The Council does this by using the Matrix Agency interface. Matrix checks the practices of any new agency it is using before accepting workers from that agency. Their Modern Slavery Statement can be found here: <http://www.matrix-scm.com/modern-slavery-act/>

## **Pay**

The Council operates a Job Evaluation Scheme to ensure that all employees are paid fairly and equitably. As part of its commitment to being a good employer, the Council has also extended its payment of the National Living Wage to all employees, not solely those over the age of 25.

## **Employee Code of Conduct**

The Council's Employee Code of Conduct makes clear to both employees the actions and behaviours expected of them when representing the Council. The Council strives to maintain the highest standards of employee conduct and ethical behaviour and breaches are investigated

## **Whistleblowing**

The Council encourages all its employees, contractors and other business partners to report any concerns related to the direct activities or to the supply chains of the

Council. The Council's whistleblowing policy is designed to make it easy for employees to make disclosures, without fear of retaliation and is published on the staff intranet.

### **Members' Code of Conduct and Ethical Framework**

The Council expects all Councillors to demonstrate the highest standards of conduct and behaviour. All Councillors are required to abide by a formal Code of Conduct. Breaches are investigated by the Monitoring Officer. Further details of this are contained within the Council's Constitution, which is reviewed on an annual basis

### **Councillors' Declarations of Interests**

The Council requires all Councillors to record and declare disclosable pecuniary interests and other disclosable interests.

### **Due diligence processes and steps taken to assess and manage the risk of modern slavery in Halton Borough Council's business and supply chain**

In November 2016, the Cabinet Office introduced the Supplier Selection Questionnaire, which should be used in all tenders over the EU thresholds; this requires suppliers to declare any involvement in modern slavery.

The Council has included reference to the Act as a mandatory gateway – Pass/Fail question into all of the relevant tendering documents that are published as part of the procurement process for both above and below EU Threshold.

### **Training about slavery and human trafficking**

The Council provides training in safeguarding for staff and partners involved in person centred services.

Halton Borough Council is a member of a number of equality networks and actively work through these to raise awareness of the issues associated with modern slavery and human trafficking, and disseminate information accordingly.