

REPORT TO CORPORATE SERVICES SCRUTINY

Date of Meeting: 27 June 2019

REPORT TO EXECUTIVE

Date of Meeting: 9 July 2019

Report of: Director, Jo Yelland

TITLE: Modern Slavery Transparency Statement

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 To request that the Council adopts a Modern Slavery Transparency Statement and authorises the Leader and the Chief Executive to update and amend the document and republish on an annual basis.

2. Recommendations:

2.1 It is recommended that Corporate Services Scrutiny Committee supports and the Executive approve:

a) the adoption of the Modern Slavery Transparency Statement 2019-20.

b) the Leader and the Chief Executive be authorised to update and amend the document and republish on an annual basis.

3. Reasons for the recommendation:

3.1 Section 54 of the Modern Slavery Act 2015 was brought into force in October 2015 and requires commercial organisations with an annual turnover of £36m or more to produce a modern slavery transparency statement each financial year. Although there is no legal obligation for local authorities to publish statements, many are now choosing to do so thereby promoting ethical business practices and policies that protect workers from being abused and exploited in their own organisation and supply chains. In addition there is an expectation from commercial organisations that may wish to bid for contracts that the council will supply a transparency statement.

3.2 The Local Government Association encourages councils to publish transparency statements and reports that 86 councils have already done so.

4. What are the equality and diversity impacts of this decision? A completed EQIA is attached at Appendix B.

4.1 The Modern Slavery Transparency Statement has a positive impact on gender, age and race and ethnicity. No negative impacts were identified.

5. What are the resource implications including non-financial resources:

- 5.1 The statement largely sets out work that is already being undertaken or is planned as part of routine operational arrangements. There are no specific resource implications other than training and awareness raising programmes to ensure all staff understand their responsibilities and what to do to manage enquiries and referrals which will be picked up under safeguarding training.

6. Section 151 Officer comments:

- 6.1 There are no additional financial implications contained within this report.

7. What are the legal aspects?

- 7.1 Section 54 of the Modern Slavery Act requires commercial organisations with an annual turnover of £36m or more to produce a modern slavery transparency statement each financial year though there is currently no obligation on local authorities. The Local Government Association issued guidance in December 2017, 'Tackling Modern Slavery. A Council Guide'. Although the guidance does not go so far as to state that there is a legal requirement to issue a section 54 statement, it states that Councils should consider their position with regard to the Modern Slavery Act 2015 and the guidance provided with regard to procurement and supply chains, and that Councils will also 'want to ensure that the risks of modern slavery within their supply chains are understood, and can show leadership in promoting a human rights approach towards procurement'.

It is a matter of best practice and important that the Council has a statement in place in accordance with section 54 of the Act, although the statute does not expressly state that such a statement is required from a public authority. However, Guidance issued by the Government, 'Transparency in Supply Chains etc, a practical guide' states that '...so long as the organisation in question is incorporated by whatever means...it does not matter if it pursues primarily charitable or educational or purely public functions. The organisation will be caught if it engages in commercial activities and has a total turnover of £36m.' (Paragraph 3.6).

There is presently a Bill in the House of Lords seeking to amend the Act to make it clear that the section 54 requirements apply to 'public authorities' in order to address the lack of certainty and clarity in the Act as it stands. The Bill had its first reading in the House of Lords on 12 July 2017. The date for the second reading has yet to be announced.

8. Monitoring Officer Comments:

Despite the lack of clarity concerning the legal obligations, the Council should have a modern slavery transparency statement in place.

9. Report details:

- 9.1 The Modern Slavery Act 2015 suggests that a modern slavery transparency statement should include information about the following:

- The organisation's structure, its business and supply chains
- Policies and procedures to minimise the risk of modern slavery
- Work with suppliers and due diligence processes in relation to modern slavery
- Measurement and performance indicators
- Training and capacity building about modern slavery

- 9.2 The Government's guidance on producing a modern slavery statement is that it must be approved at the highest level of the organisation and be published on the website with a prominent link to the statement on the homepage.

- 9.3 In addition to the council's own statement, it will need to retain copies of the statements from its suppliers who are required to publish their own statement e.g. commercial organisations with a total turnover of £36 million per annum. From April 2016, all tender processes require bidders to provide confirmation that they are compliant with the Modern Slavery Act 2015.
- 9.4 In publishing its own modern slavery statement Exeter City Council recognises its commitment to understanding the risks presented by slavery and will seek to ensure that there are no victims of modern slavery working within the council, within the organisations we commission services from or in our supply chains. A draft statement is attached as Appendix A.

10. How does the decision contribute to the Council's Corporate Plan?

- 10.1 In promoting ethical business practices and policies that protect workers from being abused and exploited the work indicated in the statement contributes directly to two strands of the Corporate Plan:
- Leading a well-run council
 - Building great neighbourhoods

11. What risks are there and how can they be reduced?

There are no risks associated with the proposals.

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

None applicable with this decision.

13. What other options are there, and why have they been dismissed?

As there is no legal obligation the council could choose not to publish a statement however everything covered in the statement is good practice that we would wish to continue. In addition those organisations that the council wishes to bid for contracts with may not accept the legislative situation and still require a statement as part of the bidding process.

Author:

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Policy Officer Environmental Health and Licensing

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

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Modern Slavery Transparency Statement 2018-19

Statement development and Version details

May 2019

Title	Modern Slavery Transparency Statement 2018-19
Author	Melinda Pogue-Jackson
Owner	Jo Yelland, Lead Director for Equalities and Diversity
Review dates	May 2020
Status for FOI	Open
Protected marking status	Unclassified
EqlA conducted	Not applicable

1. Introduction

- 1.1 Exeter City Council recognises and accepts its responsibility as an employer to ensure, as far as it is reasonably practicable, the implementation of the Modern Slavery Act 2015. This statement sets out the Council's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and, its supply chains and in doing so will strive to act as an "Exemplar" within the city.

2. The Modern Slavery Act 2015

- 2.1 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 never will 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 in private households with little or no pay, restricted movement, very limited or no free time and minimal privacy often sleeping where they work.

- 2.2 Section 52 of the Act imposes a duty on public authorities, including district councils, to notify the Secretary of State of suspected victims of slavery or human trafficking.

- 2.3 Section 54 of the Act imposes a legal duty on commercial organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement each financial year.

- 2.4 The Council engages in commercial activities by providing services (statutory and discretionary), and its annual turnover is greater than £36million. There is not currently a legal obligation on local authorities under the Act but the Council has nonetheless determined to issue this Modern Slavery Transparency Statement setting out the steps it has taken to ensure there is no slavery or human trafficking in its business or supply chains.

3. Standards

- 3.1 Exeter City Council will meet the following standards and also expects those with whom it does business with, to meet these standards:
- To support every individual's human right to live free from abuse, servitude and inhumane treatment;
 - To promote ethical business and operational practices in corporate activity and the services delivered;
 - To take appropriate steps to ensure that slavery and human trafficking is not taking part in any of its business or supply chains;
 - To take reports of witnessed, suspected or disclosed concerns of slavery and human trafficking seriously;
 - To take appropriate steps to address actual instances of slavery and human trafficking.

4. Organisational structure

- 4.1 Exeter City Council is a district local authority which provides a wide range of statutory and discretionary services, delivered both directly by the Council and through external contractors.
- 4.2 The Council's Constitution can be found [here](#).
- 4.3 The Council's [Corporate Plan 2018-21](#) sets out the priorities for the next few years:
- Help deliver the emerging Exeter Vision 2040, by providing services and developments that build on Exeter's growth and success and meet local communities' aspirations
 - Focus on three strategic programmes that address the current, major challenges facing the city:
 - Tackling congestion and accessibility
 - Promoting active and healthy lifestyles
 - Building great neighbourhoods
 - Provide value-for-money services despite continuing central government budget reductions
 - Lead a well-run council

5.0 Supply chains

- 5.1 In the procurement process, Exeter City Council expects all suppliers of goods and services to comply with all applicable laws, statutes, regulations [and codes] from time to time in force [including [but not limited to] the Modern Slavery Act 2015.

6.0 Policies and Plans

- 6.1 Exeter City Council has a range of policies and plans in place which reflect its commitment to acting ethically and with integrity to prevent slavery and human trafficking in its operations:
- [Safeguarding Policy](#) – sets out how the Council will safeguard and promote the welfare of children, young people and adults at risk who come into contact with its services and activities. The policy is supported by a suite of documents providing guidance on how to make safeguarding referrals including the duty to notify the Secretary of State of suspected victims of slavery and human trafficking.
 - [Equality and Diversity Policy](#) – sets out the Council's legal obligations under the Equality Act 2010 and the various ways the Council meets its duties. The Corporate Plan 2018-21 also includes a specific objective to promote equality and diversity and tackle social exclusion in all of our work.
 - [Whistle Blowing Policy and Procedure](#) – is part of the Council Constitution and enables employees and others who help to deliver its services to raise concerns and provide them with protection from detriment such as victimisation or discipline.
 - [Officers' Code of Conduct](#) – is the ethical framework that employees work to, which makes clear the actions and behaviour 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.
 - **Recruitment Policy** – sets out robust procedures for vetting new employees, which ensures they are able to confirm their identities and qualifications. 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.

The Council uses only reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

- **Pay** - The Council use a job evaluation scheme, thereby ensuring that all employees are paid fairly and equitably. All new and changed jobs are evaluated by a panel of trained evaluators including trade union representatives. The Council is a Living Wage employer.
- **Responsible Procurement Strategy** – This is expected to be finalised in September 2019. The strategy will include safeguarding requirements and include considerations managers should think about when procuring contracts.

7.0 Due diligence

7.1 Where turn-over is less than £36million, Exeter City Council suppliers are required to comply with this Modern Anti-Slavery and Human Trafficking Statement. Exeter City Council is investing in the process of effective risk assessment strategies.

8.0 Training

8.1 Exeter City Council has a programme of mandatory safeguarding training for employees that enables them to identify and know how to report suspected or disclosed incidents of abuse and neglect, including modern slavery and human trafficking.

8.2 Induction briefings on equality and diversity and safeguarding are provided to Members following local elections.

9.0 Partnership working

9.1 Exeter City Council is a statutory member and leads on the management of the Exeter Community Safety Partnership (CSP). The CSP brings together statutory and third sector agencies with a shared responsibility to tackle crime, disorder and anti-social behaviour.

9.3 Exeter City Council is a member of the Devon Anti-Slavery Partnership which provides strategic direction and response to all threats, risks and harm identified in relation to modern slavery and human trafficking. The City Council is also a member of the Devon and Torbay Migrant Workers Action Group which provides operational direction and response to all threats, risks and harm identified in relation to modern slavery and human trafficking.

10.0 Our commitment to combating slavery and human trafficking

10.1 In the next 12 months, we commit to implementing the following changes to help combat slavery and human trafficking:

1. Mandate that all suppliers of goods and services should comply with their own anti-slavery policy (where applicable) and this Modern Anti-Slavery and Human Trafficking Statement.
2. Incorporate clauses in our contract terms and conditions setting out the requirements of contractors and subcontractors in relation to ensuring there is no slavery or human trafficking in their businesses.

3. Ensure that all contractors and sub-contractors engaged in a 'regulated activity' to children and adults at risk to have safeguarding policies, procedures and training in place and that they comply with the reporting procedures in the Council's Safeguarding Policy.
4. Require suppliers of goods and services to implement due diligence procedures in relation to modern slavery for their own suppliers, subcontractors and other participants in their supply chains where their annual turn-over exceeds £36million.

11.0 Review and Approval

- 11.1 This Modern Anti-Slavery and Human Trafficking Statement has been approved by the Executive and adopted by Council. The Statement will be reviewed annually or sooner if required by the Corporate Safeguarding Group to reflect the council's evolution of commitment, understanding and practice.

SIGNED

SIGNED

Chief Executive for EXETER CITY COUNCIL

Leader for EXETER CITY COUNCIL

Equality Impact Assessment

Title of work being assessed: Modern Slavery Transparency Statement

Introduction

Section 54 of the Modern Slavery Act requires commercial organisations with an annual turnover of £36m or more to produce a modern slavery transparency statement each financial year. Although there is currently no obligation on local authorities, the report requests that Exeter City Council adopt a statement in order to promote ethical business practices and policies that protect workers from being abused and exploited in their own organisation and supply chains.

Lead officer: Melinda Pogue-Jackson, Policy Officer, Environmental Health and Licensing.

Service Manager: Simon Lane, Environmental Health and Licensing Manager

Stakeholders: Staff, Councillors and businesses.

For each of the areas below, an assessment has been made on whether the policy has a **positive, negative or neutral impact**, and brief details of why this decision was made and notes of any mitigation are included. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

	Neutral	Positive	Negative
Protected characteristic/ area of interest Race and ethnicity (including Gypsies and Travellers; migrant workers asylum seekers etc.)		Referral to the National Referral Mechanism (NRM) include 75 different nationalities therefore the adoption of this statement is likely to have a positive impact on race and ethnicity.	
Disability (as defined by the Equality Act - a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities)	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Sex/Gender		Referrals to the NRM suggest that over 50% of victims are male and that these are mainly victims of labour exploitation. Therefore the adoption of this statement is likely to have a positive impact on sex and gender.	
Gender reassignment	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Religion and belief	There is no evidence to		

	suggest that the proposed report would have a potential impact on this characteristic.		
Sexual orientation (including heterosexual, lesbian, gay, bisexual)	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Age (children and young people aged 0 – 24, adults aged 25 – 50, younger older people aged 51 – 75/80; older people 81+. The age categories are for illustration only as overriding consideration should be given to needs).		Almost half of the referrals to the NRM are for child victims and of these the majority are boys who are victims of labour exploitation. Therefore the adoption of this statement is likely to have a positive impact on sex and gender.	
Community relations	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Human Rights		The adoption of this statement has a positive impact on Article 3 of the Human Rights Act: the right not to be tortured or subjected to treatment or punishment that is inhuman or degrading.	
Actions identified as a result of the impact assessment:			
Action	Lead	By when	
None			

