

EAST RENFREWSHIRE COUNCILCABINET12 March 2020Report by Chief ExecutiveCHARTER AGAINST MODERN SLAVERY**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval for East Renfrewshire Council to sign the Charter Against Modern Slavery.

**RECOMMENDATION**

2. The Cabinet is asked to approve signing the Charter against Modern Slavery which incorporates 10 pledges as detailed in Appendix 1. The Charter will be reported annually through the Annual Procurement Report.

**BACKGROUND**

3. Modern Slavery is the term used and defined in the Modern Slavery Act 2015 ("the Act") as meaning forced or compulsory labour, slavery, servitude and human trafficking.

4. Someone is in slavery if they are:

- Forced to work through mental or physical threat.
- Owned or controlled by an 'employer' usually through mental or physical abuse or the threat of abuse.
- Dehumanised, treated as a commodity or bought and sold as 'property'
- Physically constrained or have restrictions placed on their freedom.

5. There are a number of different types of exploitation that victims may be subjected to, with victims experiencing more than one type of exploitation at the same time. The most common forms of exploitation are:

- Sexual exploitation
- Labour exploitation
- Forced criminality
- Organ harvesting
- Domestic servitude
- Debt bondage

6. Modern Slavery affects foreign nationals, but many of those exploited are also from the UK and exploited within this country. According to the UK Government, in 2017, the UK was the most common country of origin for those in modern slavery across the UK, up from third in 2016.

## REPORT

7. Collectively Scottish councils spend more than £3.3bn a year on goods and services. There are estimated to be up to 138,000 victims of modern-day slavery UK wide not only working in nail bars and restaurants but also being exploited by companies supplying Council goods and services.

8. The Charter Against Modern Slavery has been devised by the Co-operative Party and is focussed on the UK local government sector. The ethos of the Charter is for the Council to commit to ensuring that the risks of modern slavery within procurement and the wider supply chain for goods, works and services are understood and that we can show leadership in promoting a human rights approach towards procurement

9. Transparency in supply chains is addressed in the Modern Slavery Act 2015, which sets out obligations for commercial organisations over a certain size, currently those with an annual turnover of £36m. This requires organisations to:

- prepare a slavery and human trafficking statement for each financial year for the organisation;
- include the steps that the organisation will take to ensure that slavery and human trafficking is not taking place either in its supply chains, or its own business, or state it has taken no such steps; and
- approve and sign the Charter at a senior level within the business and publish a statement on its website, if it has one, or provide a copy to anyone who requests one in writing, within 30 days.

10. The Charter has already been signed by eight out of Scotland's 32 councils. These are Edinburgh, Midlothian, West Lothian, Dundee, Renfrewshire, East Ayrshire, North Ayrshire and South Lanarkshire.

11. The actions the Council will take to ensure modern day slavery is not part of the procurement supply chain in line with the requirements of the Charter Against Modern Slavery include:

- **Training and Awareness Raising** across the Corporate Procurement Team and wider Council to ensure staff have a broad understanding of issues relating to modern slavery, potential indicators of modern slavery, and what to do if they suspect, or know individuals are victims of modern slavery.
- **Tendering documentation** will include the European Single Procurement Document (ESPD) mandatory exclusion questions as well as a set of non-conditional 'selection' questions which all suppliers' contractors and service providers must complete. The mandatory exclusion questions include, amongst other things, questions relating to "modern slavery" including: Child labour or trafficking in human beings.
- **Ensuring Compliance** with Regulation 69 of the Public Contracts (Scotland) Regulations 2015, which imposes a statutory duty on contracting authorities to investigate abnormally low tenders. In all instances, abnormally low tenders will be rejected where it has been established that a tender is abnormally low because it does not comply with environmental, social or labour laws.
- **Reporting** with an update on the Council's activities in respect of the Charter Against Modern Slavery incorporated into the Corporate Procurement Annual Report which will next be provided to Cabinet in October 2020.

## **FINANCE AND EFFICIENCY**

12. Employees involved in procurement and management of Council contracts will be trained to recognise the risk of modern slavery in supply chains and to take appropriate action to address any risks identified. There may be an associated cost for this training with details of this still to be obtained.

## **CONSULTATION**

13. No formal consultation was undertaken in the production of the report.

## **IMPLICATIONS OF THE PROPOSALS**

14. Where risks are identified, there may be a cost associated with managing the risk. Council officers will work closely with other agencies to address non-compliance which leads to termination of contracts. This could lead to significant and costly re-tendering exercises, however this depends on the type of project impacted by any such termination event.

## **CONCLUSIONS**

15. By signing the Charter the Council is committing to ensuring that the risks of modern slavery within procurement and the wider supply chain for goods, works and services are understood and that we show leadership in promoting a human rights approach towards procurement.

## **RECOMMENDATION**

16. The Cabinet is asked to approve signing the Charter against Modern Slavery which incorporates 10 pledges as detailed in Appendix 1. The Charter will be reported annually through the Annual Procurement Report.

Chief Executive

## **REPORT AUTHOR**

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## **Appendix 1 - The Charter Against Modern Slavery**

East Renfrewshire Council Will:

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.

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