



P R O C U R E M E N T

Report to: STAR Joint Committee
Date: 6th November 2018
Report for: Information
Report of: Procurement Business Partner

Report Title

Modern Slavery Project Position Update

Summary

The purpose of this report is to:

- Provide an introduction to the Modern Slavery project;
- Summarise what was in place at STAR regarding Modern Slavery prior to the Charter Against Modern Slavery;
- Summarise the activities and tasks required, and progress to date on the project.

Recommendations

The recommendation of this report is that the Joint Committee:

- Note the current activity and progress by STAR procurement on the project;
- Note the proposed next steps for the project.

Contact person for access to background papers and further information:

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Background

Financial Impact:	Anticipated maximum impact on STAR budget of £1,000 per annum
Legal Impact:	Changes to documentation required to mandate compliance from suppliers in this area, and allow termination of contracts as appropriate, and audits of supply chains.
Human Resources Impact:	None
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	The Charter Against Modern Slavery imposes obligations on active vetting and risk analysis on the signatories supply chains. This creates a risk to supply chains and continuance of contracts where slavery, human trafficking etc. is identified or there is a high risk of being present.
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

1. Background

- 1.1 The Modern Slavery Act 2015 (The Act) became law on 26th March 2015. It is designed to tackle slavery, servitude, forced, or compulsory labour, human trafficking and exploitation (including sexual exploitation). Modern Slavery affects foreign nationals, but many of those exploited are from the UK and exploited within this country. In 2016 the third largest victim group came from the UK.
- 1.2 The Act contains a 'Transparency in Supply Chains' Section that 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 section organisations with a turnover of £36 million or more must prepare and publish a 'Slavery & Human Trafficking' statement each financial year.

- 1.3 The Co-operative party has drafted a Charter Against Modern Slavery (The Charter)¹. The Charter goes further than existing law and guidance, committing councils to proactively vetting their own supply chain to ensure the risk of instances of modern slavery taking place are reduced and mitigated, regardless of the supplier's turnover. The full Charter provided at Appendix 1.
- 1.4 Trafford and Stockport Councils have signed up to The Charter in August and September respectively. Rochdale and Tameside Councils have indicated that they will be signing up to The Charter, Tameside wish to sign up in October; it is unclear when Rochdale will sign. Stockport Council is working on a Modern Slavery Statement which it shall publish on its website, STAR Procurement has provided input into this.
- 1.5 In terms of the GM context: Modern Slavery is a priority topic in the Police and Crime Plan for Greater Manchester (published by the GMCA by Baroness Hughes – Deputy Mayor for Policing and Crime), with GM achieving the highest number of modern slavery prosecutions in the UK². Outside of the STAR partners, we are aware that both Oldham and Manchester Councils have signed up to The Charter.

2. Pre-Charter: Position on Modern Slavery

- 2.1. Prior to The Charter, STAR Procurement had already been proactive in ensuring compliance with The Act. Key actions included:
- Published and promoted guidance to suppliers on our website and social media³;
 - Provided staff training and briefings via Team Meeting on what Suppliers must do to comply with the Modern Slavery Act;
 - Attended external training events covering this issue;
 - Adopted the standard documentation and wording provided by Government via Crown Commercial Services in our OJEU and high risk sub-OJEU procurement documentation – deals with companies over the £36m turnover threshold only;
 - Reject suppliers in these procurement exercises that do not meet these minimum standards required by law;
 - Challenging abnormally low tenders to ensure no breaches of labour laws or human trafficking is taking place – regardless of contract value;
 - The standard T&Cs used for the STAR Councils (excluding RFQs and Order T&CS) contain provisions to terminate for a breach of Public Contracts Regulations 2015 (including child labour and other forms of trafficking human beings), and if there is a risk or a genuine belief that

¹ <https://party.coop/policy/modern-slavery-charter/>

² https://www.greatermanchester-ca.gov.uk/downloads/file/519/police_and_crime_plan_-_standing_together

³ <https://www.star-procurement.gov.uk/Suppliers/Docs/STAR-Introduction-to-Modern-Slavery-Act-2015-v1.pdf>

reputational damage to the Council will occur as a result of the contract continuing;

- Procurement Handbook advises regarding abnormally low tenders;

2.2. However, STAR Procurement did not vet Council supply chains, or suppliers in relation to the risks and occurrence of Modern Slavery, as a one-off, regular, or planned activity.

3. Post Charter: Position on Modern Slavery

3.1. A project to ensure the requirements of The Charter would be met in a timely manner and the benefits will be received by all the partners was set up and started in mid-August 2018. Michael Sellors, from within STAR, was appointed our Champion Against Modern Slavery to lead this project.

3.2. Signatory to The Charter requires the activities and actions listed in Appendix 2 to be addressed. STAR Procurement is working on adopting these across the STAR partners, regardless of whether or not they have signed up to The Charter. This Appendix 2 provides an update on progress of the tasks and activities required of this project.

3.3. Once all the necessary STAR Procurement staff pass the CIPS (Chartered Institute of Procurement and Supply) Ethics Test, STAR Procurement can apply to CIPS to be awarded their Corporate Ethics Mark.

- This Mark is free to apply for and can be used on:
 - The STAR website; Internal communications; Brochures; Business cards; And email footers;
- STAR Procurement will also be publically listed on the CIPS Global Corporate Ethical Register;

4.4. The CIPS Corporate Ethics Mark signals to suppliers, customers, and stakeholders that we: Have adopted ethical values in the way we source and manage suppliers; Are committed to accountability and self-governance; And our staff are trained in ethical sourcing and supplier management.

4. Recommendations

4.1. It is recommended that STAR Board:

- Note the current activity and progress by STAR procurement on Modern Slavery;
- Note the proposed next steps for the project.

Report Appendices

1. The Co-operative Party Charter Against Modern Slavery
2. Project Tasks and Timescales

Appendix 1: The Co-operative Party Charter Against Modern Slavery

the co-operative party

CHARTER AGAINST MODERN SLAVERY

[Your Council Name] 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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Appendix 2: Project Tasks and Activities Positions

STAR Activities Necessary for Councils to comply with The Charter

Completion Date	Activities Required / Information	Lead	Status	Comments
26 th October 2018	<ul style="list-style-type: none"> - Staff Training – CIPS Ethics Test - Amend RfQ, SQ, & ITT to cover requirements of Charter, vetting requirements, and termination provision - Website guidance for suppliers updated - QMS guidance updated 	MS	Training 50% completed (as at 17/10/18) Documents – Drafts 100% completed Website – Draft 100% completed QMS – Draft 100% completed	Training anticipated to be 100% completed by Joint Committee meeting date
3 rd December 2018	<ul style="list-style-type: none"> - Handbook updated - QMS work instructions re: identification & vetting completed 	MS	Not started	
31 st January 2019	<ul style="list-style-type: none"> - Staff Training – Identification, vetting, sources etc. 	MS	Not started	

Signatory Councils Activities Necessary for Councils to comply with The Charter

Requirement of Charter	Activities Required / Information	Lead	Completion Date	Status	Comments
Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.	Council requirement for Council Intranet and Website (see Charter – Appendix 1)	Council	Council Activity	Council Activity	Not required until The Charter is signed. Council activity.
Report publicly on the implementation of this policy annually.	Councils requirement but STAR procurement can support	Council	Council Activity	Council Activity	Not required until The Charter is signed. Council activity.