

NORTH YORKSHIRE COUNTY COUNCIL**15 May 2019****Response by the Corporate and Partnerships Overview and Scrutiny Committee to the Notice of Motion on North Yorkshire County Council's current level of compliance with the Charter against Modern Slavery****Purpose of the Report**

This report details the recommendation from the Corporate and Partnerships Overview and Scrutiny Committee, which was supported by Executive, to County Council regarding the response to the Notice of Motion on North Yorkshire County Council's current level of compliance with the Charter against Modern Slavery.

Background

A Notice of Motion was put to County Council on 14 November 2018 by County Councillor Liz Colling, seconded by County Councillor Eric Broadbent, regarding the Council's level of compliance with the Charter Against Modern Slavery. The Chairman determined that the Motion should not be debated on the day, and instead referred it to the Corporate and Partnerships Overview and Scrutiny Committee for consideration before coming back to Council.

Corporate and Partnerships Overview and Scrutiny Committee

The Notice of Motion was considered by the Committee and recommendations made to Executive at their meeting on 26 March 2019, which would enable full compliance with the Charter against Modern Slavery. The Executive supported these recommendations.

The Corporate and Partnerships Overview and Scrutiny Committee report that was presented to the Executive on 26 March 2019 is in Appendix 1.

Recommendation

That County Council agrees the recommendation in para 4.5 in the appended report that:

- i) The actions outlined in paragraph 4.2a be completed to achieve full compliance
- ii) Having achieved full compliance, the additional actions outlined in paragraph 4.2b be explored further and reported back to the Corporate and Partnerships Overview and Scrutiny Committee.

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North Yorkshire County Council
Executive
 26 March 2019

**Response by the Corporate & Partnerships Overview & Scrutiny Committee to the
 Notice of Motion to County Council on 14 November 2018 on North Yorkshire
 County Council's current level of compliance with the Charter against Modern
 Slavery**

1.0 Purpose of Report

- 1.1 This report provides Executive with the Corporate & Partnerships Overview & Scrutiny Committee response to the Notice of Motion, which was put to County Council on 14 November 2018 by County Councillors Liz Colling and Eric Broadbent, regarding the County Council's compliance with the Charter against Modern Slavery.
- 1.2 Executive is asked to review and recommend the response by the Corporate & Partnerships Overview & Scrutiny Committee to the County Council meeting on 15 May 2019.

2.0 Motion

- 2.1 The following Motion was put to County Council on 14 November 2018 by County Councillor Liz Colling and this was seconded by County Councillor Eric Broadbent:

'North Yorkshire County Council will:

- *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.*
- *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.*
- *Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.*
- *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.*
- *Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.*
- *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.*
- *Review its contractual spending regularly to identify any potential issues with modern slavery.*

- *Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.*
- *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.*
- *Report publicly on the implementation of this policy annually.'*

2.3 The Chairman determined that the Motion should not be debated on the day, and instead referred it to the Corporate and Partnerships Overview and Scrutiny Committee for consideration before coming back to Council.

3.0 Background to Modern Slavery Act

3.1 In March 2015, the UK Parliament passed the Modern Slavery Act ('the Act') requiring all commercial organisations that turnover more than £36m per annum to produce an annual statement disclosing what they have done in the year to address risks to human rights in their supply chains. The Act also strengthened enforcement powers, increased punitive measures and provided more protection and support for victims. To date, 56.3% of organisations in the UK required to publish a statement have done so.

3.2 While considered relatively low risk, the UK is not immune to the effects of modern slavery. In 2014 the Home Office estimated that there were approximately 10 – 13,000 potential victims of modern slavery in the UK, however, the National Crime Agency believe this to be the tip of the iceberg and the Global Slavery Index estimate the true figure to be ten times this number. Globally, it is estimated that just over 40 million people are victims of modern slavery.

4.0 Response to the Motion

4.1 The Corporate and Partnerships Overview and Scrutiny Committee were pleased to note the number of proactive steps that had already been taken:

- Voluntarily publishing a modern slavery statement on our website, demonstrating ethical leadership.
- Acting in full accordance with the Public Contract Regulations 2015 in relation to undertaking appropriate due diligence on suppliers; incorporating these principles into the Council's Constitution as the Contract Procedure Rules.
- Requiring contractors in tender and bid documentation to declare (where applicable) that they comply fully with the Act.
- Challenging abnormally low-cost tenders; seeking explanation from suppliers to justify cost and rejecting those where the evidence supplied does not satisfactorily account for the low level of cost proposed.
- Creating and then publicising its whistleblowing policy to staff.
- Reviewing contractual spend regularly and identifying those suppliers who represent the greatest risk to the organisation.
- Acknowledging our responsibility to notify the Secretary of State of suspected victims of slavery or human trafficking and to refer contractors suspected of modern slavery to the National Crime Agency.

4.2 In considering overall compliance, the Corporate and Partnerships Overview and Scrutiny Committee were made aware of a number of simple practical actions that would ensure full compliance with the Motion, and some additional measures that

would take the Council beyond the commitments laid out in the motion, as outlined below:

a) To ensure full compliance:

- The Council's Procurement and Contract Management Service to undertake the Chartered Institute of Procurement and Supply's online course: Ethical Procurement and Supply.
- Include non-compliance with the Act as a ground for contract termination in contract documentation.
- Ensure that modern slavery is a line of inquiry when challenging abnormally low tenders.
- To include a statement in bid and tender documentation highlighting to suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
- To further promote the Council's whistleblowing policy among staff, drawing particular attention to blowing the whistle on suspected examples of modern slavery, both within the organisation and among its contractors.
- To work with Legal Services, creating a new contract condition requiring tendered contractors to adopt a whistleblowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
- To include modern slavery risk, for both suppliers and spend, in annual Category Sourcing Plans.
- To include progress against the Motion in future updates of the Council's modern slavery statement.

b) Additional measures:

- Greatly increasing the number of 'meet the buyer' events. Suppliers are invited to meet representatives of the Council to facilitate shared learning, promote business, and to understand expectations, in this case regarding modern slavery. It should be noted that the Council intends to increase the number of meet the buyer events each year as part of its Procurement and Contract Management Strategy.
- Adapt existing procurement process documentation to build a cognisance of modern slavery among procurement and service area staff at the earliest possible stage when developing an opportunity for market.
- Roll out training on modern slavery to more staff, particularly those who regularly come into contact with external suppliers i.e. contract managers.

4.3 The Corporate & Partnerships Overview & Scrutiny Committee recognised the greatest risk to the council was one of reputational risk. They were therefore pleased to note that there were no areas of County Council business considered to be at high risk of slavery or human trafficking, and no evidence to date of modern slavery in the County Council's supply chain. They were pleased the Council was able to say with confidence that its contractors were compliant, but accepted it was more difficult to be fully assured of the compliance of tiers 2 & 3, i.e. subcontractors etc.

4.4 In order for the County Council to lead the way and be an exemplar Local Authority, the Corporate & Partnerships Overview & Scrutiny Committee agreed the County Council should strive to achieve all of the actions listed at paragraphs 4.2a & 4.2b

above. However they recognised there might be HR and financial implications associated with the additional measures listed at paragraph 4.2b which would require detailed examination.

4.5 With this in mind, they agreed to recommend to County Council that:

- i) The actions outlined in paragraph 4.2a be completed to achieve full compliance
- ii) Having achieved full compliance, the additional actions outlined in paragraph 4.2b be explored further and reported back to the Corporate and Partnerships Overview and Scrutiny Committee.

5.0 Recommendation

5.1 That the Executive:

Review and recommend the response by the Corporate and Partnerships Overview and Scrutiny Committee, to the Notice of Motion, to the County Council meeting on 15 May 2019.

Melanie Carr
Principal Democratic Services and Scrutiny Officer
North Yorkshire County Council
12 March 2019