

14 JULY 2016

SUBJECT:	Implications of the Modern Slavery Act 2015 for Local Authorities.
WARDS AFFECTED:	ALL
REPORT OF:	Head of Legal and Member Services

REPORT SUMMARY

The purpose of this report is to highlight the implications of the Modern Slavery Act 2015 (“the Act”) for local authorities and how Wirral Borough Council (“the Council”) will implement this legislation. It will set out what steps need to be taken by the Council in order to comply with these new duties.

KEY PROVISIONS

a) The Modern Slavery Act 2015 received royal assent on 26 March 2015 and according to the Prime Minister will “*tackle the worst exploitation*” and consolidate various offences relating to human trafficking and slavery.

b) The Act provides a definition of what constitutes slavery, specifically servitude, forced labour, sexual exploitation for money, human trafficking and forced or servile marriage. The industry areas where slavery is most likely include agriculture, construction, hospitality and the manufacturing sector.

c) This report will focus on section 52 of the Act which will have the biggest impact for local authorities. From 1 November 2015, section 52 of the Act imposes an obligation on local authorities to notify the Secretary of State if they have reasonable grounds to believe a person may be a victim of human trafficking or slavery. A notification to the Home Secretary must include the information listed in Schedules 1 and 2 to the Modern Slavery Act 2015 (Duty to Notify) Regulations 2015 (SI 2015/1743) (“The Regulations”), where such information is in the possession or control of the public authority.

d) Section 54 deals with transparency in supply chains and requires commercial organisations with an annual turnover of more than £36m to publish an annual “slavery and human trafficking statement”. The statement should detail what steps the business has taken to eradicate slavery from its own business and its supply chain and should be published on that organization’s website.

e) There has been much debate around whether local authorities fall within the definition of a ‘commercial organization’ under section 54. An organisation will be expected to comply with by section 54 if it meets the turnover threshold, regardless of the purposes for which those profits are made. On 23 May 2016 the Modern Slavery (Transparency in Supply Chains) Bill (“the Bill”) had its first reading in the House of Lords. This reading suggested

that public bodies be included in section 54 of the Act and proposes that public bodies do prepare a Slavery and Human Trafficking Statement in their annual report and accounts.

f) The proposed amendments under section 54 are not yet legislation and as such, whilst the Council should be mindful of the same, there is no present requirement to prepare a "Slavery and Human Trafficking Statement". The second reading (the general debate on all aspects of the Bill) is scheduled for 8th July 2016.

g) This report affects all Wards within the Borough.

h) Furthermore, the requirements under section 52 of the Act underpin the Wirral Plan to ensure that the most vulnerable people are safe and that work is carried out across the Council to promptly identify and tackle problems before they develop.

i) Local authority staff are an important resource and play a crucial role in identifying signs of slavery in their everyday work. It is essential that the Council is committed to preventing slavery and human trafficking in all of our activities to improve protection for victims. An organisation with strong policies that can show it is taking effective action to combat slavery will be more attractive to clients, investors and business partners.

RECOMMENDATIONS

1.1 In order to meet the Council's legal duty to notify the Home Secretary about possible victims under section 52 of the Act, it is recommended as follows:-

- a) The Council roll out Modern Slavery specific mandatory training alongside all current mandatory training to alert staff in what circumstances a notification should be made to the Secretary of State and the process for doing so.
- b) There be a clear reporting system for all Council staff where a case of slavery is suspected. Reporting forms should be easily accessible on the Council's website.
- c) Council staff should be trained on the reporting requirements and what must be included in any notification to the Secretary of State as per the Regulations.
- d) In accordance with the duty to notify, there will need to be a system in place for completing the necessary National Referral Mechanism (NRM) form or Notification of a Potential Victim of Modern Slavery (MS1) forms. These should also be accessible on the Council's website with a clear system in place for who will be required to complete the forms.
- e) Management should review their departments to identify any potential risk of slavery and human trafficking and take appropriate steps to manage that risk.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

2.1 The Council is under a legal obligation to comply with section 52 of the Act.

2.0 OTHER OPTIONS CONSIDERED

2.1 The Council may wish to prepare their own policy on anti-slavery and human trafficking which could also be published on the Council's website. The policy should express the Council's attitude to modern slavery offences and set out expectations of council staff and those with whom we do business. If such a policy is implemented, there will need to be a team responsible for overseeing adherence to the policy.

2.2 Should section 54 become applicable to local authorities in the future, the Council may wish to consider:-

- a) Conducting an information gathering exercise to understand what measures are in place to prevent slavery.
- b) Risk assessments to determine the risk of slavery and trafficking within the organisation and supply chains.
- c) How the organisation might better engage with suppliers to obtain the assurances required, for example supplier audits.
- d) Check for anti-slavery clauses in contracts with suppliers and making amendments where necessary.
- e) Incorporating anti-slavery compliance into other Council policies and standard procurement terms.
- f) Training PR and communications teams to deal with queries once the Council's annual statement is published.

2.3 All other options considered are detailed within the body of this report.

3.0 MORE DETAILED BACKGROUND INFORMATION

3.1 The Regulations detail the information which should be included in any notification to the Secretary of State.

3.2 Schedule 1 of the Regulations includes that the following information should be included in the notification:-

- a. The name of the public authority making the notification.
- b. The victim's gender and nationality.
- c. Whether the victim was under the age of 18 at the time the slavery or human trafficking first occurred.
- d. Whether the public authority believes that the person is a victim of slavery and / or human trafficking.
- e. The country or territory where the slavery or human trafficking first occurred.
- f. Whether the public authority has referred the suspected victim to the police and if so, the name of the police area should be included in the notification.
- g. Whether the public authority believes that the slavery or human trafficking occurred within residential premises, involved slavery, servitude or forced

labour (s3(2) of the Act), sexual exploitation (s3(3)of the Act), removal of organs etc (s3(4) of the Act) or involved the commission of an offence by the victim.

- 3.3 Schedule 2 of the Regulations lists additional information that must be provided where the victim is either under the age of 18, or is over 18 and has consented to the disclosure of that information in the notification; this includes the victim's name and date of birth and the name of the perpetrator.
- 3.4 Public authorities will wish to avoid any trace of slavery within their own supply chains. The Public Contracts Regulations 2015 will now require the exclusion of any supplier which has itself committed a slavery offence. A conviction under the Act for slavery or human trafficking is a mandatory exclusion from participating in public procurement. The Council should be aware of this during procurement exercises.
- 3.5 The Council's Children and Adult Safeguarding Boards which have been designed to ensure that a wide range of agencies, services and people work together to safeguard those at risk, will need to be alive to slavery and human trafficking issues. There also needs to be awareness that some people are at a greater risk of modern slavery due to their age, disability or ill-health.
- 3.6 The Council shall develop, implement and monitor policies and procedures to safeguard the welfare of children and vulnerable adults and protect them from slavery. The Council shall continue to work within multi-agency partnerships to protect and safeguard people.

Lessons from Local Authority Peers

- 3.7 East Lindsey District Council has published a modern slavery transparency statement for 2015/2016 in accordance with section 54 of the Act. Nevertheless, no other local authorities appear to have yet issued such statements. It seems that local authorities are awaiting clarification on the Bill before taking steps and incurring cost.
- 3.8 Some local authorities including Islington and Basildon have created advice pages on their websites for people worried about trafficking and exploitation. This would be a relatively simple measure to implement and of minimal cost. Islington Council has also set up a Modern Slavery Helpline.
- 3.9 To help authorities respond to the new duty, the South East Strategic Partnership for Migration and South East England Councils have produced a short film aimed at public authorities. The film aims to raise awareness among staff of modern slavery.
- 3.10 Warrington Borough Council has teamed up with partners across Cheshire with a campaign to tackle modern slavery. Modern Slavery has also been a particular focus in Warrington's Safeguarding Adult's Board strategic plan for 2016-2019.
- 3.11 The Council should ensure that tackling modern slavery and human trafficking is a high priority in all aspects of work within the Council. The Act places additional

duties on local authorities and it is essential that all Council staff are aware of what is required.

4.0 FINANCIAL IMPLICATIONS

4.1 Whilst the implementation of section 52 of the Act will allow for greater transparency in slavery and human trafficking, there will of course be financial implications for the Council. This comes at a time when the Council aims to save £120m over the next five years in accordance with the Wirral Plan. As such, the estimated costs for facilitating reporting under section 52 will need to be calculated.

5.0 LEGAL IMPLICATIONS

6.1 There would be a significant legal risk should the Council fail to comply with its duties under section 52 of the Act. Penalties for non-compliance are however limited though enforcement action may be taken by the Secretary of State.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

7.1 It is expected that there will be staffing and ICT implications as the necessary notification forms and associated guidance will need to be uploaded to the Council's website.

7.0 RELEVANT RISKS

8.1 In terms of reputational risk for failing to comply with the Act, it is anticipated that pressure groups may target businesses in vulnerable sectors. Businesses may find it difficult to successfully tender for work or attract investment.

8.0 ENGAGEMENT/CONSULTATION

9.1 No engagement or consultation is being undertaken at this stage.

9.0 EQUALITY IMPLICATIONS

10.1 Slavery can affect all people regardless of race, gender, disability or age.

11.0 CARBON REDUCTION, PLANNING, COMMUNITY SAEFTY AND IMPLICATIONS

11.1 There are no such implications.

12.0 IMPLICATIONS FOR VOLUNTARY COMMUNITY AND FAITH GROUPS

12.1 There are no such implications

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APPENDICES

None

REFERENCE MATERIAL

<https://modernslavery.co.uk/>

<https://www.wirral.gov.uk/sites/default/files/all/About%20the%20council/Performance%20and%20spending/Wirral%20Council%20Statement%20of%20Accounts%202014-15%20%28final%29.pdf>

<https://www.gov.uk/government/publications/circular-025-2015-duty-to-notify-the-home-office-of-suspected-victims-of-modern-slavery/circular-025-2015-duty-to-notify-the-home-office-of-suspected-victims-of-modern-slavery>

http://corporate-responsibility.org/wp-content/uploads/2016/03/CSO_TISC_guidance_final_digitalversion_16.03.16.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc_A_practical_guide_final_.pdf

<http://www.e-lindsey.gov.uk/CHttpHandler.ashx?id=5004&p=0>

<http://www.secouncils.gov.uk/wp-content/uploads/2015/06/Standing-Up-to-Slavery-Film-notes-FINAL-2.pdf>

<http://uk.practicallaw.com/a-023-3074?q=MODERN+SLAVERY+ACT+LOCAL+AUTHORITIES>

<https://www.islington.gov.uk/services/social-care-health/adultprotection/types-of-abuse/Pages/modern-slavery.aspx>

http://www.warringtonguardian.co.uk/news/13874263.Warrington_council_joins_anti_slave_ry_fight/?ref=mr&lp=14

https://www.warrington.gov.uk/downloads/file/10222/wsab_strategic_plan_-_jan_16pdf

<http://www.basildon.gov.uk/article/5505/Safeguarding-Children-and-Adults---Guide-for-Licensed-Drivers>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date