

## Procurement Policy – Modern Slavery

'Modern slavery' captures a whole range of types of exploitation, many of which could occur together in Surrey and elsewhere. These include:

- human trafficking,
- sexual exploitation,
- forced labour and domestic servitude,
- criminal exploitation, and
- other forms of exploitation including forced begging; forced benefit fraud; forced marriage and illegal adoption.

The Modern Slavery Act 2015 was implemented to combat slavery and human trafficking. Section 54 of the Modern Slavery Act 2015 requires commercial organisations carrying out business in the UK, with a turnover of at least £36 million, to prepare and publish a slavery and human trafficking statement for each and every financial year. Tenderers complete a Suitability Assessment as part of their tender submission and, if they meet this criteria, must provide a link to their modern slavery statement.

The Council, through its Procurement Strategy, is committed to ethical purchasing and ensuring our supply chain operates in an ethical and sustainable way. As part of that commitment, Runnymede Borough Council will adopt and implement the co-operative party's Charter Against Modern Slavery (as amended and resolved by Surrey County Council):

1. Ensure its corporate procurement team have appropriate training to understand modern slavery.
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. Note that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
4. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
5. 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.
6. Ensure that quality assurance safeguards are in place to protect its contractual spending and identify any potential issues with modern slavery.
7. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
8. 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.
9. Report publicly on the implementation of this policy annually.

## **Procurement Policy for addressing modern slavery in the supply chain.**

Modern slavery risks should be assessed in new procurements and supplier evaluation should account for the associated level of risk. Sectors identified as being at high risk of modern slavery (based on Home Office research) includes, but is not restricted to, construction, electronics manufacturing, textiles and healthcare, and these risks can occur irrespective of supplier size and contract value.

Guidance on assessing risk of modern slavery in procurement can be found in the Cabinet Office's Procurement Policy Note 02/23 Update to Tackling Modern Slavery in Supply Chains ([PPN 02/23 Guidance](#))

### **Suitability assessment of tenderers**

The Modern Slavery Act implemented new measures which are directly related to businesses and their supply chains. Section 54 of the Act requires companies with an annual turnover above £36m, and carrying out a business, or part of a business, in the UK, to develop a Modern Slavery Statement, also known as a 'Transparency in Supply Chains (TISC) statement', each year.

If a company has declared that they meet the criteria of Section 54 of the Modern Slavery Act 2015 by means of self-certification in the suitability assessment form, Buying Managers must check the company for full compliance via the TISC REPORT <https://tiscreport.org/>. If this report determines that the company is required to comply and does not fully comply, the tender should be excluded from further evaluation.

### **Quality evaluation of tenders**

When a new contract is tendered and risk of modern slavery is determined, supplier evaluation must include as part of the Quality response, information to demonstrate commitment to assessing and dealing with modern slavery in supplier operations including any sub-contractors.

Where procurements are considered low risk for modern slavery, it is unlikely that criteria relating to tackling workforce inequality (in the context of modern slavery) would be relevant or proportionate. However, low risk is not the same as no risk, therefore you may still want to consider some award criteria for modern slavery.

For procurements identified as medium risk, asking a specific question regarding tackling modern slavery is likely to be relevant and proportionate and should be considered. In high risk procurements, a question related to modern slavery must be included.

Example questions are set out below. One or more should be used in the Quality Questionnaire or Method Statement questions with a weighting of no less than 5% of the total marks for Quality:

*The Authority is committed to combating modern slavery in its supply chain. Please describe your policy and procedures for ensuring that no cases of Modern Slavery, as defined in the Modern Slavery Act 2015 in either your organisation or your work force are*

*used to fulfil the contract. Specific examples should be provided of your company's steps taken to assess and combat modern slavery from your supply chain.*

*What is the tenderer's understanding of modern slavery risks and issues affecting the market, industry, sector or country (of origin or of source)?*

A good response would include details on the risks they face in the industry/sector, providing a detailed overview on how they are identifying issues in their supply chain e.g. through regular audits, in-person visits, engagement with workers etc and give specific examples on how they built knowledge on this topic (e.g. attending training, carrying out independent research)

*What is the tenderer's understanding of modern slavery risks and issues affecting the workforce in their own organisation and those of its key sub-contractors?*

A good response would include information on the composition and potential vulnerabilities of specific groups within the workforce (both their own workplace and business partners). They should have visibility of this information for their immediate supply chain (Tier 1) and beyond with details around workforce metrics of nationality, gender split etc.

*Describe your policies and practices to mitigate and manage modern slavery risks. What training is given and what actions are taken once trained in relation to modern slavery risks?*

A good response would be able to demonstrate how policies and commitments are implemented in practice including provision of audit reports, worker interview records, training records. Able to demonstrate the action taken and the impact on workers.

Additional model questions are available in the [PPN 02/23 Guidance](#) and [Social Value Model](#) in the Procurement toolkit under Social Value.

### **Contract clauses to combat modern slavery**

Contract remediations and termination clauses must be included to allow for termination due to non-compliance with the Modern Slavery Act 2015 and/or if violations are uncovered.

Contract clauses should explicitly prohibit modern slavery and the ILO's 11 indicators of forced labour in the supply chain (including worker-paid recruitment fees)

For contracts assessed as at medium-high risk of modern slavery:

- Contract clauses should allow for unannounced inspections of premises by the Authority or third party auditors with the right to speak directly to supplier's employees. The clause should also confirm which party bears the cost of the audit.
- All bespoke contracts and standard T&Cs to include the need for open book accounting
- Subcontractors are contractually bound by the same terms as the supplier in relation to modern slavery and human rights issues and terms are cascaded throughout the supply chain

## **Contract management**

Once a contract is in place, it is the responsibility of the contract manager to ensure that at regular and frequent intervals an assessment of the supplier and any sub-contractors is undertaken. This could include:

- Unannounced visits to construction sites – Officers or third party auditors to spot the signs of potential modern slavery <https://www.gla.gov.uk/who-we-are/modern-slavery/who-we-are-modern-slavery-spot-the-signs/> .
- Ask to see workers with their written employment contracts and passports.
- Ask to meet with some workers to assess for signs of potential modern slavery.
- Ask to see company accounts to check salaries/wages are being paid to individuals – follow the money.

Contract managers are encouraged to complete the [Tackling Modern Slavery in Supply Chains](#) online training course available through the Government's Commercial Function Learning & Development resource (free for users with a gov.uk email address)

## **Assessing our supply chain**

The Corporate Procurement Team will assess the existing supply chain in relation to their compliance with section 54 of the Modern Slavery Act 2015 by means of the NGO, TISC REPORT (Transparency in Supply Chains – <https://tiscreport.org/> )

Further, the Corporate Procurement Team will communicate with our supply chain on the signs of modern slavery and facilitate an audit of the supply chain on a regular basis to seek overall reassurance that the suppliers that we contract with are combating modern slavery.