



UK Modern Slavery Act Transparency in Supply Chains: Reporting by Local Authorities

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About us

The Business, Human Rights and Environment Research Group (BHRE) brings together the expertise and research interests of several leading academics in the field of Business and Human Rights, International Environmental Law and International Criminal Law. As part of our research we focus on the roles and responsibilities of public buyers regarding their own supply chain. In particular, we are studying the implementation of the Transparency in Supply Chains provision of the Modern Slavery Act 2015 (MSA) by the public sector. We are also supporting initiatives in amending the law to include obligations for public authorities to report on their efforts to prevent and mitigate modern slavery, and to increase accountability for human rights violations in global supply chains.

About the Transparency in Supply Chains Provision

On 29th October 2015, the Transparency in Supply Chains Provision (TISC, s.54) came into force. The provision requires commercial entities to report annually on their actions to identify, prevent and mitigate modern slavery in their supply chain. It aims to engage commercial organisations in the fight against slavery, human trafficking and forced labour by producing an annual Modern Slavery and Human Trafficking Statement (the statement). The legislation defines ‘commercial entities’ as suppliers of goods or services with a total annual turnover currently set at £36 million or more.

A government [Guidance on Transparency in Supply Chains Etc](#) (hereinafter the government Guidance) published in 2015 and updated in 2017 provides advice and examples to reporting organisations. In December 2017, the Local Government Association published a focused guide in collaboration with the Independent Anti-Slavery Commissioner, [Tackling Modern Slavery. A Council Guide](#) (hereinafter, the Council Guide), which is an important resource for local authorities.

Among the reporting organisations are certain public bodies who are subject to the UK Public Contracts Regulations (2015). The main group of public sector entities obliged to publish an annual Slavery and Human Trafficking statement are universities and other higher education providers to (See our report [Olga Martin-Ortega and Rahima Islam, UK Modern Slavery Act 2015 Transparency in Supply Chains: The First Year of Reporting by Universities, BHRE Research Series, Report 1, July 2017](#)). Other public buyers are in principle not caught by s.54 have chosen to voluntarily report.

Local authorities have demonstrated awareness and ethical leadership by having voluntarily published statements.

Local authorities are not covered by the government’s definition of commercial organisation and so are under no obligation to publish statements on compliance with the MSA. However, some local authorities have demonstrated awareness and ethical leadership by having voluntarily published statements.

About this Report

This report analyses the statements published by local authorities. Our research has undertaken a qualitative analysis of the statements produced by local authorities from the time of the enactment of the Act up to 31st January 2018, and thus, covering the financial years 2015-2016 and 2016-2017. We will refer to these as the first and second period, or year, of reporting and series of statements, respectively. Discrepancies as to dates are analysed below.

For the first reporting period we found and analysed 16 statements, whilst during **the second reporting period** our sample extended to 29 new statements produced by 33 Councils, with three pairs of authorities having written joint statements (Lewes District Council and Eastbourne Borough Council; Forest Heath District Council and St Edmundsbury Borough Council;

Suffolk Coastal District Council and Waveney District Council), and five statements from councils which were providing their second statement (Brentwood Borough Council, Colchester Borough Council, East Lindsey District Council, Nottingham City Council and Worcestershire County Council). Whilst utmost care has been put into finding the reporting authorities, this has not been easy, as statements are, on occasions placed in obscure parts of websites and not readily available (see below). The majority of the statements analysed here were found through individual Council websites and, if that was not possible, using a search engine and the [Modern Slavery Registry](#) hosted by the [Business and Human Rights Resource Centre](#).

The first years of reporting have provided an intense learning period for public bodies, in terms of their obligations and responsibilities under the MSA and the human rights of those in their supply chains.

This report highlights examples contained in the statements with focus on best practice but also signalling where practice can be improved to encourage the learning processes. More importantly, it highlights that modern slavery is a topic which is being taken notice of, and local authorities are leading the public sector, together with universities, in trying to identify, mitigate and prevent modern slavery in their supply chains.

The first years of reporting have provided an intense learning period for public bodies, in terms of their obligations and responsibilities under the MSA in particular and more generally regarding the human rights of those in their supply chains. This learning process has even been apparent, including for those who are not actually obliged by the act, such as local authorities.

The following sections analyse, first, the compliance of local authorities with the mandatory reporting requirements of the Act and then the way statements reflect the suggested substantive criteria set out in s.54.

Mandatory (Formal) Requirements

The MSA makes it mandatory for entities to publish their Slavery and Human Trafficking statement on their website with a link in a prominent place on their homepage or in a relevant and obvious dropdown menu. Statements must be approved at the highest level of governance of the institution and signed by one of the most senior members of the organisation. There is no current guidance as to whom is the appropriate person to sign a Council statement. We suggest that ideally the statement would be co-signed by the Leader of the Council and the Chief Executive, or equivalent position, such as the Chief Operating Officer. A Director or a senior enough Portfolio Holder, for example a cabinet member councillor, could also be considered a relevant person to sign, especially in smaller district councils. In any event, the approval process has to demonstrate that the statement has been discussed at the highest level of governance of the institution and reflects an overall commitment from those in positions of authority. The rationale is ensuring that modern slavery awareness and the commitment to combat abuse is at the core of each organisation.

The rationale behind requiring a signature from the highest level of governance is ensuring that modern slavery awareness and the commitment to combat abuse is at the core of each organisation.

Six statements from **the first year of reporting** do not include any signatures. Out of the remaining 10 statements, three contain signatures by the Chief Executives, including East Lindsey District Council, Nottingham City Council and Worcestershire Country Council. Two statements contain signatures provided by the Leaders of the Council – Essex Country Council and Telford and Wrekin Borough Council. Cornwall Council, Torba Council and Uttlesford District Council contain signatures provided by some type of Director. Colchester Borough Council includes a signature

by a Portfolio Holder, whilst Belfast City Council brandishes a signature of the Town Solicitor.

The second reporting period saw 16 statements signed whilst 13 remained unsigned. Similar to the first reporting period, most statements are either signed by a Chief Executive or a Leader of the Council. The statement produced by Colchester Borough Council was, for the second year, signed by the Portfolio Holder for Housing and Communities. The Harlow District Council statement is signed by the Portfolio Holder for Governance whilst the Tamworth Borough Council statement is signed by the Chief Operating Officer.

A significant number of statements that lack a signature simply provide that they have been approved and may on occasion indicate this approval has been granted by the Board, the Management Team or by a specific post holder without providing their name. We suggest the name and post of the approving person is included, as this provides further transparency.

Statements need to be accessible from a prominent place of the organisation's home page. Most reporting councils failed to fulfil this requirement of the MSA. The rationale behind statement being easy to find is to promote transparency and guarantee accessibility from all stakeholders. In the case of local authorities, making the statement easily accessible should be not for academics or governmental officials to access, but for the members of the public so that they are able to see what their local council is doing towards eradicating human rights violations and not being part of abusive supply chains.

During the first reporting period, only Bradford City Council's statement could not be found directly on the website and required the use of a search engine. The remaining statements are accessible through the individual Councils' websites. **For the second year of reporting**, we could not find four statements in each of the Council's homepage – the statements by Blackburn with Darwen Borough Council and Doncaster Borough Council could only be found using a website search, and those by Sutton

London Borough Council and Epping Forest District Council were found among the internal decisions taken by the Council. In the case of Epping Forest District Council, the statement could only be found if the searcher was aware which Council body made the decision and on what date.

We suggest Councils develop a consistent practice of publishing their statement in their 'About Us' section and ensure it is easily searchable.

Other statements, though qualifying as being on a homepage or about us section, were very difficult to find. They could often be found anywhere from the information provided for residents, businesses or about the council. We suggest Councils develop a consistent practice of publishing their statement in their 'About Us' section and ensure it is easily searchable. They have showed leadership and commitment by producing the statements, this now needs to be showcased and open to scrutiny.

Whilst it is appropriate for a policy to cover a period of multiple years, a statement should remain an annual exercise.

Statements must be produced annually and should report on actions taking during the past financial year. For **both reporting periods**, discrepancies can be found among financial year dates for which the statements are provided. In particular, some statements seem to have been produced in advance, for the coming financial year. Nine statements are for the financial year 2017/18. Statements should be retrospective and reflective of the activities developed in the financial year for which they are reporting and also contain the plans for the future years and KPIs to measure progress (see below). Therefore, we are concerned that statements published for a financial year that has not ended cannot reflect on and assess the actions undertaken during that year.

Several Councils have produced statements covering three years ahead. Forest Heath and St Edmundsbury, and Suffolk Coastal District Council and Waveney District Council, which published joint statements, indicate those are for the years 2017 – 2020. Whilst these statements establish the plans for the future, it is still necessary to publish an annual statement on what has been achieved each year. The fact that Councils, and other organisation which are reporting voluntarily, are not obliged to report should not translate in practice deviating from the general government Guidance. Whilst it is appropriate for a policy to cover a period of multiple years, a statement should remain an annual exercise.

Substantive Content

Paragraph 5.2 of s.54 provides a non-exhaustive list of information that may be included in statements:

- (a) The organization’s structure, its business and its supply chains;*
- (b) its policies in relation to slavery and human trafficking;*
- (c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains;*
- (d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;*
- (e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;*
- (f) the training and capacity building about slavery and human trafficking available to its staff.*

For our analysis we have grouped some of these criteria and present our findings as follow: 1) the organization’s structure, its business and its supply chain; 2) organisational policies; 3) due diligence, risk assessment and response, including effectiveness of such response, and 4) training.

1. The organisation’s structure, its business and its supply chain

In order to undertake effective reporting, organisations need to have good knowledge and an understanding of their own supply chain and how their commercial relations are structured in terms of suppliers, contractors and subcontractors. It is also important to be able to trace the origin of the products, materials and services which they purchase. In the case of public authorities this allows for understanding of the level of risks within each of the sectors from which they procure products or provide the services contracted. The government Guidance highlights that a greater level of detail when reporting on the organisation’s structure, business and supply chain is likely to be more helpful but prevents too much technical or legal information being included in the statements to allow accessibility to the public.

The statements produced by local authorities and analysed here are significantly brief when reporting on the structure of the organisation and activities, and are clearly insufficient in illustrating their supply chain. Some distinguish between suppliers established in the UK and abroad, wrongly assuming that local suppliers are free of human rights abuse risk, and even if they were, all suppliers are linked to global value chains. A valuable example is Warrington Borough Council, whose report highlights that the fact that suppliers have a local base does not mean that its supply chain is free from risks. “While almost 64% of the suppliers the Council does business with have a presence in Warrington, the Council’s supply chains stretch across the world. Raw materials and components can come from sources anywhere in the world and there may be links in the supply chain which could be involved in modern slavery.”

In the first year of reporting, nine of the statements that report on this element provide headings on organizational structure and supply chains. Belfast City Council provides a brief outline of its structure and states that the supply chain consists of more than 7,700 suppliers, with most based in the UK and Ireland. Colchester Borough

Council and Worcestershire City Council merely state that they are “a local authority” providing a wide range of services. Nottingham City Council provides more information such as an approximate number of citizens or the types of services offered but, when describing its supply chain, it only states that it is “large and diverse”.

The remaining statements, such as those by Lindsay District Council and Bradford City Council, despite using the appropriate headings, fail to provide relevant information under said headings. This may be due to certain confusion as to what they are required to include. Instead, the information is reduced to a declaration reiterating that the statement covers the full activities of each Council. Thus, the first year much of the information provided had little relevance to understand the organisation’s structure and supply chain.

Warrington Borough Council (2016/17): *“While almost 64% of the suppliers the Council does business with have a presence in Warrington, the Council’s supply chains stretch across the world. Raw materials and components can come from sources anywhere in the world and there may be links in the supply chain which could be involved in modern slavery.”*

In the second year local authorities have improved their reporting of structure but they are still failing to comply with the disclosure of their supply chain. Twelve statements did not contain information relevant to the structure of the Council or the makeup of their supply chains. A number of the remaining statements contain an assertion that they provide “a wide range of statutory and discretionary services”, or a similarly phrased remark, such as included by Castle Point Borough Council or Eastbourne Borough Council and Lewes District Council.

Details, if present, tend to cover the jurisdiction of the Council (square miles) or its population as, for example, seen in the London Borough of Camden

statement or the one provided by Sandwell Borough Council. This information is welcome as it is neither too technical nor legal, and provides a context in which a Council operates. Some Councils provide links to separate webpages containing a breakdown of the structure – this tends to provide the categorisation of senior staff rather than the organisational structure or the makeup of supply chains – and can be found in the statements provided by Colchester Borough Council and Dartford Borough Council. Nottingham City Council provided an Appendix to the statement with a detailed analysis of the council structure and services. East Lindsay District Council gives a detailed breakdown of its organisation structure but also includes the related responsibilities.

Belfast City Council (2015/16): *“We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or any part of our business.”*

Councils could reconsider how they approach this section of their statement. So far, the focus among local authorities has been on disclosing information on “the organisational structure and group relationships”, “the countries it sources its goods and services from”, or “the business operating model”, as indicated by the government Guidance. This information, is necessary to understand the operations of corporate organisation, where multiple levels of governance and subsidiaries may be found. From the perspective of a local authority, this information should in principle be less complex and not as relevant to understanding their operations. Instead, Councils could focus on the rest of the information that the guidance mentions, such as “sector(s) the business operates in”, “the make-up and complexity of the supply chains”, and “relationships with suppliers and others, including trade unions and other bodies representing workers”. This kind of information will be essential when identifying the risks in their supply chain (see below).

2. Organisational Policies

Section 54 suggests that companies may report on “b) [...] policies *in relation to* slavery and human trafficking.” [emphasis added]. The Guidance clarifies that organisations need not have a standalone policy in place. They may develop one or explain how current policies and practices are relevant to the cause. As will be pointed out many institutions have made general declarations of rejection of modern slavery and human trafficking. Whilst this is essential, it is not enough to comply with the letter and the spirit of the Act.

In the first period of reporting, 11 of the statements reported on policies with all but Cornwall Council doing so under specific headings. None of the councils have a standalone Modern Slavery Policy, but several express intentions to change this. Peterborough City Council states that it is developing an Anti-Slavery Policy which will be published as soon as it becomes available. Cornwall Council mentions that its Responsible Procurement Policy specifically focuses on modern slavery.

Both in the **first and second series** of statements, many local authorities mention policies which they feel reflect their commitment to combating modern slavery, with many stating that they recognise those policies and procedures as ‘key in meeting the requirements of the Modern Slavery Act 2015’. The policies found in multiple statements tend to include Codes of Conduct, Recruitment Policies, Agency Workers, Pay and Whistleblowing Policies. However, the Councils often do not provide a necessary link between their policies, processes and modern slavery.

In the second period of reporting, six Councils do not provide any information about their policies such as Blackburn with Darwen Borough Council, Brentwood Borough Council and Milton Keynes Council. Other Councils make brief generalised comments on their policies, listing a wide range of policies, as mentioned above. Some Councils, such as Bassetlaw District Council, declare they are a Living Wage or a London Living Wage employer which are relevant with regard to combating

modern slavery. As this report highlights in several occasions, simply having a policy does not guarantee that abuses do not happen. Therefore, expressing commitment to the Living Wage only works if such commitment is followed up upon and its implementation assessed properly.

In the **first year of reporting**, the Belfast City Council statement makes a commitment to review the existing corporate responsibility policies to see whether they address issues that are required by the Act, and if not, to consider what additional policies may be needed. Both, Belfast City Council and East Lindsay District Council state they will review their whistleblowing policies, whilst the latter also highlights its ongoing Policy Review Programme. East Lindsay District Council has published a new statement in which it provides that the Whistleblowing policy is to be updated by the close of 16/17 financial year. There is no second statement from Belfast City Council and therefore, their review guarantee cannot be confirmed.

Councils need to assess whether mechanisms [...] are fit for purpose and are in fact providing avenues for victims, staff, suppliers and the general public to interact with the local authority in the prevention and combating of abuse.

Having a whistleblowing policy in place is most important in the identification of modern slavery in supply chains. However, in the **first series of statements**, only Nottingham City Council and Nottinghamshire County Council make a direct connection between whistleblowing and modern slavery. In the **second series of statements**, whistleblowing policies that directly refer to Modern Slavery can be found in eight statements, as for example seen in the Hastings Borough Council statement. The following statement, or some form of it, tends to be found across most statements: “The council encourages all its employees, customers, and other business partners to report any concerns related to the direct activities or the supply chains of the Council.

The Council’s whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.”

Whilst whistleblowing policies and mechanisms are very important, they do not provide adequate tools to fight modern slavery if they are not being used appropriately, or at all. Councils need to assess whether these mechanisms are fit for purpose and are in fact providing avenues for victims, staff, suppliers and the general public to interact with the local authority in the prevention and combating of abuse. Just having a procedure is no more than a tick the box exercise.

Similarly, in **both reporting periods**, some statements include references to irrelevant policies that do not have a relation to Modern Slavery. For example, the Councillor’s Declarations of Interests Policies can be found in East Lindsay District Council, Bradford City Council, and Colchester Borough Council statements from the first period of reporting, where both East Lindsay District Council and Colchester Borough Council retained them in their new statements. From the second period, only Bassetlaw District Council has included it in its statement.

Some information concerning processes such as recruitment, agency workers and pay would better fit under the ‘Due Diligence’ heading as the information provided refers to the procedures in place to prevent and address risk and therefore, how local authorities exercise their due diligence.

3. Due diligence, risk assessment and response, including effectiveness

Due diligence processes inherently require an ongoing assessment of modern-slavery risks, its monitoring, engagement with the relevant actors to address both the risks and the actual instances of violations identified and putting in place measures to prevent the risks from materialising, mitigate them and remediating the actual violations and abuses when they do occur.

In this section we analyse how have local authorities reported on their efforts to do so by responding to: a) do local authorities mention due diligence on their reports; b) how do they report that they identify, prioritise and monitor risk; c) engaging with suppliers and other due diligence measures; d) remediating violations; e) collaboration; and e) how do they measure effectiveness.

a) Do statements contain specific references to due diligence?

The government Guidance mentions that due diligence related to modern slavery is likely to form part of a wider framework around ethical trade, corporate social responsibility and human rights. This is the case for commercial organisation, especially large ones, which have been required to develop responsible purchasing practices for longer. Other public buyers, such as universities, have a more established practice of ethical and sustainable procurement. However, local authorities are just waking up to this reality. This is reflected in the statements which evidence the current lack of human rights or ethical trade policies in this sector.

Tackling Modern Slavery. A Council Guide (2017): *“As councillors and leaders of local places, we all need to be aware that the UK is a source, transit and destination country for modern slavery [...] there is a good chance modern slavery is taking place in the towns, cities and villages where we live”.*

In the **first year of reporting**, most statements referred to due diligence, with two not mentioning it at all and five specifically identifying it as a separate heading. In **the second year of reporting**, all statements mentioned some form of due diligence, even if as basic as an expectation that suppliers have appropriate policies and procedures in place. This ‘expectation’ can be found in most statements. However, the information provided under due diligence is quite

vague and general, with every local authority maintaining different practices.

A number of Councils, including Isle of Wight Council, Colchester Borough Council, Dartford Borough Council, Epping Forest District Council, Forest Heath District Council and St Edmundsbury Borough Council, Nottinghamshire County Council, and Sandwell Borough Council, have taken the time and effort to explain what modern slavery is, how to spot it, who to contact and what the MSA 2015 says. Other Councils have provided this information on a different but linked webpage, which we consider to be good practice. It is important to situate the statement within the context of the overall flight of modern slavery and its legal framework, however, the transparency in supply chain should be more focused on specifically what the local authority is doing to address the risks in its own supply chain.

b) How do local authorities prioritise risks?

The first step within the due diligence process should be to identify potential risks within the supply chain and prioritise action over them. It is not possible to map all supply chains and identify all risks at once. Local authorities are faced with the pressing challenge of managing diminishing resources to address increasing local needs.

Local authorities do not have sufficient resources to map their entire supply chains. Therefore, prioritisation in risk identification and response is essential.

As Warrington Borough Council explicitly points out in its statement, public bodies do not have sufficient resources to map their entire supply chains. It is commendable that given the financial challenges they face they are committing not only to fighting modern slavery but also to be transparent and report on their efforts. Faced with

this reality, prioritisation in risk identification and response is essential.

The government Guidance indicates that modern slavery risk assessment should be part of an organisation's wider approach to risk management and could form part of a more general risk assessment. It suggests risks should be considered according to country risks, sector risks, transaction risks and business partnership risks. Surprisingly, **in the first year of reporting**, only five of the statements mention identification of risk. Belfast City Council states that higher risk areas have been identified and Nottingham City Council states that the community protection team carries out an analysis. Peterborough City Council states that it may map its supply chain, and Bradford City Council does acknowledge identification as a priority. Nottinghamshire County Council states that it will carry out risk assessment where an area has been deemed to be at risk of modern slavery, however, it also determined that no areas of its business are considered as high risk. **In the second year of reporting**, risk assessment is mentioned in 12 statements, where four have used an appropriate heading. In those cases, risk assessment is identified either as something the Council is planning to carry out or has already carried out. Having a section of the statement specifically dedicated to risk identification is important, as it signals the significance the local authority gives to this process. However, it is also important to provide details, disclosing and reporting on the specific supply chain assessment they have done and what specific risks have been identified. Limiting the reporting to yet another list of relevant policies and existing procedures is a missed opportunity to provide a response,

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prevent and mitigate the instances of abuse which occurred within their jurisdiction.

Most Councils, such as Bassetlaw District Council and Leicestershire Country Council, indicate that they have no areas of business which may be considered high risk. Most Councils do not demonstrate how they came about determining that there are no high risk areas in their businesses. This is also the case where a Council recognises it only procures from English suppliers. Often that is taken by Councils to automatically mean they do not have any high risks in their supply chain. However, this is not true as procuring and contracting UK suppliers does not guarantee that no abuse is taking place in the supply chain. In 2013 the Home Office estimated that there were between 10,000 and 13,000 potential victims in the UK. According to Walk Free Foundation's Global Slavery Index 2016, 11,700 people are estimated to be in modern slavery in the United Kingdom. Many services and goods utilised by Councils are commonly agreed to be at higher risk, such as cleaning services, adult social care or IT equipment.

Procuring and contracting UK suppliers does not guarantee that no abuse is taking place in the supply chain.

Nottingham City Council and Sandwell Borough Council are just two examples of Councils that have indicated that they carried out supply chain mapping. Camden London Borough Council, Epping Forest District Council, Nottingham City Council and Warrington Borough Council, are some of the Councils which have only indicated that they plan to carry out risk assessment in the future such as through supply chain mapping and identifying areas for further investigation. East Lindsay District Council and East Northamptonshire District Council only provide information as to who is responsible for identifying risk.

Limiting the reporting to yet another list of relevant policies and existing procedures is a missed opportunity to provide a response, prevent and mitigate the instances of abuse which occurred within their jurisdiction.

At first glance, it appears that the proportion of Councils carrying out risk assessment has increased between the first and second reporting year. Despite this, prioritisation of risk seems far off in Councils' fight against modern slavery. In the coming years local authorities will have to do more to understand modern slavery risks on an international scale. Better understanding of geographical and sector risks is essential to be able to then identify such risks in their own supply chains. Only then will local authorities be able to create and develop effective procedures to address modern slavery issues in their own supply chain.

c) Engaging with suppliers and other due diligence measures

Local authorities' abilities to insert human rights considerations in their procurement are restricted not only due to the competing social demands they must tend to but also due to the constraints that the public procurement legal regime establishes on secondary priorities, particularly regarding socially responsible procurement. This naturally makes Councils cautious as to how to engage with their suppliers before and after tendering processes. In this section we analyse these engagements and the tools used for them.

In our last report, which analysed the first year's reports by universities, a series of tools were referred to by reporting organisations to identify, prevent and mitigate risks through engagement with their suppliers. The most common form of due diligence undertaken by local authorities is carrying out some form of checks on their suppliers to ensure that they have appropriate anti-slavery policies and procedures in place. **In the first reporting period**, seven authorities

allowed suppliers and contractors to self-certify that they have taken the necessary anti-slavery steps.

In the second reporting period the due diligence strategy is similar. Most statements cite the Crown Commercial Service’s standard Selection Questionnaire (SQ) which refers to the MSA such as found in the statement by Blackburn with Darwen Borough Council and Leicestershire Country Council. Epping Forest District Council uses a Pre-Qualification Questionnaire (PQQ) which is used in contract tender over the EU threshold and requires supplier to declare involvement in modern slavery, otherwise the company will not be accepted as a supplier. Isle of Wight Council requires a completion of the PQQ or an Invitation to Tender, however, it also requires confirmation that the supplier has not been convicted of any offence under ss.1, 2 or 4 of MSA. A few Councils, including Castle Point Borough Council, Colchester Borough Council and Doncaster Borough Council, seek an undefined confirmation from suppliers of their compliance with MSA. Self-certification, although good for checking suppliers’ own zeal for the cause, can be ineffective due to the lack of proper checks and monitoring. As suggested above in this report it is important to avoid tick the box exercises which have little impact on changing practices.

It is important to avoid tick the box exercises which have little impact on changing practices.

A number of Councils, such as Castle Point Borough Council, Colchester Borough Council, Forest Heath District Council and St Edmundsbury Borough Council, state their requirement that suppliers and contractors have safeguarding policies, procedures and training in place in addition to providing confirmation of compliance with MSA. Dartford Borough Council states that its due diligence process requires all its suppliers with a turnover over £36m to implement their own due diligence procedures for their own suppliers and

subcontractors; their supplier with under £36m turnover must comply with the Dartford Borough Council Modern Slavery Statement.

Risks are particularly high when organisations recruit personnel through third party agents. Our on-going research into other sectors has highlighted that the recruitment process is an important time in which due diligence procedures should be carried out by organisations. Many of the local authorities’ statements focus on recruitment processes when describing due diligence. These include the important though scant description of processes on pay, agency worker recruitment, and regular recruitment.

From the **first reporting period**, Councils which mention vetting processes for new employees include Bradford City Council, Colchester Borough Council, East Lindsay District Council and Wycombe District Council. A declaration of using reputable employment agencies can be found in each of those statements, in addition to Nottingham City Council and Nottinghamshire County Council statements. During the **second reporting period**, an overwhelming majority of statements, a total of 20, indicate vetting new employees. Sixteen statements indicate using only “reputable” employment agencies. Whilst a commitment to being transparent in the use of the recruitment agencies and diligent when contracting them is important, local authorities should not forget that these agencies are themselves also at risk of having modern slavery in their supply chain. Outsourcing the risk to a third party agent is does not eliminate it and Councils should remain vigilant.

A particularly powerful tool that is used to manage relationships with suppliers and exercise leverage over the supply chain is the introduction of contract clauses. Introducing contract clauses allows institutions to have contractual rights over their suppliers to demand collaboration, disclosure of information, the setup of mitigation processes or any other procedures that the local authority considers relevant to fulfil its own

modern slavery responsibilities. Three of the authorities from the **first reporting period** have incorporated modern slavery clauses. For example, Essex County Council stated that its standard contract terms “now incorporate clauses that specify the supplier’s contractual obligation concerning modern slavery.” As for the **second reporting period**, Brentwood Borough Council and Nottingham City Council are some of the Councils that are planning to include an anti-slavery clause in their standard terms and conditions. London Borough of Camden has decided to directly include information on ethical sourcing in its tender documents.

Contract clauses allows institutions to have contractual rights over their suppliers to demand collaboration, disclosure of information, the setup of mitigation processes or any other procedures that the local authority considers relevant to fulfil its own modern slavery responsibilities.

Councils can also monitor suppliers through audits and visits to supplier sites. We understand that monitoring the supply chain is complex and requires resources which local authorities do not have, and therefore prioritisation and collaboration come to the forefront again. Only two authorities mention audits in their statements from the **first reporting period**. East Lindsey District Council’s audits however are general with no specific focus on modern slavery and have been maintained in their **second statement**. Following the example of Belfast City Council, local authorities should consider setting out processes to carry out random checks on their suppliers.

Other due diligence measures, for example, those implemented by Nottingham City Council are: that the Council’s Property Services department will be vigilant for signs of modern slavery on the Council property; and will consider appropriate steps to be taken through procurement to mitigate risks. Sandwell Borough Council states that it will conduct supplier assessment on annual basis focusing on financial stability, covering insurance and compliance with various employment policies,

as does Nottinghamshire County Council, which also commits to creating an annual risk profile for each supplier to cover all the issues identified. Belfast City Council has also declared that, as part of due diligence, it will communicate its policies to staff.

d) Remediating violations

Once a specific instance of abuse has been identified it should be remedied. This includes protecting the victim and addressing the actual violation and the perpetrator. Whilst protection and law enforcement agencies are the relevant authorities to do so, it is important that local authorities also have procedures in place to contribute to the remediation processes. This is rarely reported on by local authorities in their statements, which is not surprising as there is little guidance yet as to how to design and manage effective remediation processes. Only four statements that we analysed in the **first reporting period** and nine from the **second reporting period** mention some sort of remediation or response to violations.

Some Councils have reported that if a supplier does not demonstrate commitment to ensuring that modern slavery is not taking place in their supply chains, or fails to provide appropriate evidence, they may reserve the right to exclude a supplier from the procurement process, as is for example seen in the statements by Essex County Council and Peterborough City Council **from the first reporting period** and Tendring District Council **from the second reporting period**. Whilst this sends a powerful message to suppliers, public procurement regulations is quite restrictive in terms of which suppliers may be excluded from tendering process, therefore all public buyers need to be cautious in this regard.

Non-compliance may also be dealt with by appropriate remedial action, as per Harlow District Council, by supporting suppliers who identify activities that fall below the required standards according to the Nottingham City Council statement, or invoking sanctions against suppliers

who fail to address performance issues or who violate conditions of a contract as seen in Nottingham City Council, Sandwell Borough Council and Warrington Borough Council statements. Nottinghamshire County Council and Sandwell Borough Council state that serious violations may also lead to a termination of a business relationship.

Suffolk Coastal District Council and Waveney District Council state in their joint statement that if a supplier seriously misrepresents any factual information in filling the procurement documentation, the Councils will seek damages, excluding the supplier from procurement process for 3 years. If fraud, or fraudulent intent, can be proved, the supplier or supplier's responsible officers may be prosecuted and convicted of the offence of fraud by false representation, excluding the supplier from the procurement process for 5 years. These send a clear message to suppliers, which is important that local authorities convey.

e) Collaboration

External Collaboration

The collaboration between local authorities and external organisations remain unspoken of at best, and non-existent at worst. For **both years of reporting**, Councils have not indicated any significant collaborations whether with charities or other organisations. Collaboration can be divided into three categories: collaboration between Councils, collaboration with police, or collaboration with local boards, forums and working groups.

Bassetlaw District Council and East Lindsey District Council both make generalised statement on being involved in partnerships without providing any further details. Most Councils based in Essex, declare their partnership with Essex Police, Essex County Council and the Safeguarding Boards, with most affirmations being identical, as can be seen in statements made by Castle Point Borough Council, Colchester Borough Council, and Epping Forest District Council. East Northamptonshire

District Council states that it will refer any suspected or known incidents of slavery or trafficking to the relevant police authority via their Community Partnership Team. Similarly, Nottingham City Council would also refer suspected or known incidents to the police and, where incident occur in Nottingham, they would be referred to Community Protection which is the link to the local Serious and Organised Crime Board.

There are a couple unique partnerships and forums run by Councils. For example, Dartford Borough Council is part of the Dartford and Gravesham Community Safety Partnership (CSP), and facilitates a multi-agency Dartford Vulnerability Forum. On the other hand, Bassetlaw District Council works with Unison and GMB who represent workers and workers' rights.

Collaboration among Local Authorities

Many of the statements we have analysed have very close similarities, which is especially noticeable under 'policies'. Whilst this can of course result from meaningful collaboration between councils we are concerned it comes from Councils using templates. Templates pose a major risk: they get filled with minimal editing effort, and therefore, those who use them do not truly carry out in depth assessment of the risks they are exposed to and do not learn any lessons from scrutinising their own procedures and responses. Therefore, as we did with tick the boxes exercises, we strongly discourage the use of templates which allow institutions to 'just fill in the blanks.'

During this analysis, we have seen three pairs of Councils working in partnership to produce joint statements. Those are not frowned upon, as the joining of resources of neighbouring local authorities may provide a positive change and increase quality of the analysis that is being carried out on modern slavery in supply chains, which is likely to positively reflect on the modern slavery statement itself. Councils which claim similarities are reflective of collaborations between various

local authorities are therefore encouraged to make them public.

The Local Government Association is also promoting important collaboration among its members which is due to lead to learning processes and capitalising on resources and efforts by bringing expertise and practice together.

f) Measuring effectiveness

The government Guidance encourages organisations to report on the effectiveness of their measures by providing information on existing or additional Key Performance Indicators (KPI's) related to anti-slavery actions.

Effectiveness is the least reported criteria in terms of statements which have been published not only by local authorities, but also in many other sectors. Local authorities need to strengthen their processes to define useful KPIs, which are, in these two years of reporting, overall not well defined. KPIs should allow to track progress at short, medium and long term and allow for substantive measurement of effectiveness of processes and practices.

For the **first reporting period**, Essex County Council states that it will undertake a review of best ways to address modern slavery, including having a look at KPIs; Nottingham City Council states it is in the process of reviewing its KPIs; and Peterborough City Council will develop a set of KPIs. Nottinghamshire County Council provides KPIs in form of short terms goals.

In the second year of reporting, only three statements mention key performance indicators (KPIs). Those are Dartford Borough Council, Doncaster Borough Council, and Nottingham City Council. Three more statements, by East Northamptonshire District Council, Leicestershire County Council, and Tamworth Borough Council, indicate a planned review or identification of KPIs but without any further details being provided.

Dartford Borough Council (2017/18). KPIs include:

- *Number of suppliers being evaluated using supplier evaluation and due diligence measures*
 - *Number of employees trained on code of conduct, human rights and modern slavery*
 - *Number of cases reported using the whistleblowing system*
-

The Dartford Borough Council statement provides a good example of KPIs, as they are specific, achievable and measurable.

4. Training about slavery and human trafficking available to staff

The introduction of section 54 has created intense activity of training and consultancy in the private sector, which has generally served as an awareness raising exercise but also, to some extent, an outsourcing of responsibility to consultants.

Training is important for raising awareness and building capacity. In the **first period of reporting**, most of the local authorities do mention training but only four have specific focus on modern slavery. Another two have general training which includes modern slavery, whilst two authorities state that they will implement focused education programmes.

In the second period of reporting, only two statements, by Breckland District Council and Brentwood Borough Council, do not address training. Six further statements include the aim to introduce awareness of modern slavery through training, such as Tendring District Council and Harlow District Council.

The type of training provided, whom it is provided to and how it is organised, is unique to each Council. A number of Councils have specific

modern slavery training such as Bassetlaw District Council or Blackburn with Darwen Borough Council. Some Councils state that they provide training but do not indicate what type of training it is, as seen in the statements by Wolverhampton City Council, Warrington Borough Council or South Gloucestershire County Council. Nottingham City Council, despite having other types of training, plans to introduce modern slavery training.

Isle of Wight Council, Eastbourne Borough Council and Lewes District Council, Epping Forest District Council, and East Northamptonshire District Council are just some of the examples out of a larger number of Councils that carry out safeguarding training and state that it covers modern slavery. In addition to this, East Lindsay District Council and Bassetlaw District Council also provide some form of equality and diversity training.

Councils that do not provide training to all staff may choose specific groups that require training such as: staff involved in the procurement process/supply chain as seen in the Blackburn with Darwen Borough Council statement, those that may encounter victims, or finance personnel to spot risk areas, as indicated by Camden London Borough Council.

Nine Councils state that some form of their training is compulsory. This is inferred from the usage of words such as “mandatory”, “must” and “expected”.

In 2018 Local Government Association has partnered with the Anti-Slavery Commission to provide awareness sessions for local authorities which will likely have an important effect in their capacity to develop strategies and procedures. Importantly too, Councils should consider training their frontline staff to spot the signs of abuse so they can respond effectively and immediately if there is an imminent risk for victims.

Conclusions

The sample size for this research is significantly lower than other sectors – only 43 out of 418 Councils in the UK have reported. For everybody caught by the act, it is still early days and all who wish to utilise the resources that they have must first work to understand the criteria and their supply chain.

On the whole, the **first year of reporting** has been successful in raising awareness over the shared responsibility of the public sector with regard to preventing and mitigating human rights violations in global supply chains. This trend has largely continued in the **second reporting period**. The quality and depth of statements does not so much differ between the two years, though the increased sample size has allowed for more thorough analysis.

Whilst the reporting public buyers are yet to take significant steps to develop human rights due diligence procedures and act on risks and potential violations, it is encouraging to see the level of organisational commitment, both of those entities which are obliged by law to report and those which have chosen to do so voluntarily.

As set out in our previous reports (see below), the coming years will be crucial in demonstrating the effectiveness of organisations’ policies, procedures and engagement processes, both with suppliers and external organisations, which are currently being designed. So we expect the quality of the reports to improve as capacity building increases and the know-how and best practices are shared both among public buyers and the private sector. We also expect a greater collaboration in the public sector, with local authorities on the forefront of the efforts to combat modern slavery in public supply chains.

About the authors

Dr. Olga Martin-Ortega is Reader in Public International Law at the School of Law, University of Greenwich (UK) and leads the BHRE. She has been researching business and human rights for over fifteen years. She has also undertaken extensive research in the areas of post-conflict reconstruction, transitional justice and international criminal law.

Olga is a member of the Board of Trustees of Electronics Watch and a member of the Board of Directors of the London Universities Purchasing Consortium. She is also a member of the Steering Committee of the International Learning Lab on Procurement and Human Rights and leads its Electronics Hub.

Olga has conducted numerous trainings for public authorities on their legal obligations under the UK Modern Slavery Act and performing human rights due diligence on their supply chain in the framework of the Higher Education Procurement Academy (HEPA).

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Photo Credit: Ananta Chowdhury ©

BHRE Research Series Reports and Policy Papers

- Olga Martin-Ortega and Rahima Islam (2017), [UK Modern Slavery Act 2015 Transparency in Supply Chains: The First Year of Reporting by Universities](#), BHRE Research Series, Report 1.
- Opi Outhwaite and Olga Martin-Ortega (2017), [Monitoring Human Rights in Global Supply Chains. Insights and Policy Recommendations for Civil Society, Global Brands and Academics](#). BHRE Research Series. Policy Paper n.3.
- Olga Martin-Ortega (2016), [Modern Slavery and Human Rights in Global Supply Chains: Roles and Responsibilities of Public Buyers. Policy and practice insights for Higher Education Institutions in the framework of their obligations under the UK Modern Slavery Act](#). BHRE Research Series. Policy Paper n.2.
- Olga Martin-Ortega and Opi Outhwaite (2014), [Promoting Responsible Electronics Supply Chains Through Public Procurement](#). BHRE Research Series. Policy Paper n. 1.

BHRE-LUPC Resources

- Olga Martin-Ortega and Andy Davies (2017), [Protecting Human Rights in the Supply Chain. A Guide for Public Procurement Practitioners \(CIPS\)](#).
- LUPC-BHRE (2018), [Protecting Human Rights in the Supply Chain. Free E-Learning suite](#).

For more information, visit www.bhre.org

Annex I: Statements used in this Analysis

Reporting for the financial year 2015/2016

Belfast City Council
Bradford City Council
Brentwood Borough Council
Chelmsford City Council
Colchester Borough Council
Cornwall Council
East Lindsey District Council
Essex County Council
Nottingham City Council
Nottinghamshire County Council
Peterborough City Council
Telford & Wrekin Council
Torbay Council
Uttlesford District Council
Worcestershire City Council
Wycombe District Council

Reporting for the financial year 2016/2017

Bassetlaw District Council
Camden London Borough Council
Castle Point Borough Council
Colchester Borough Council
Doncaster Borough Council
East Lindsey District Council
East Northamptonshire District Council
Eastbourne Borough Council and Lewes District Council*
Harlow District Council
Leicestershire County Council
Nottingham City Council
Tamworth Borough Council
Tendring District Council
Warrington Borough Council
Worcestershire City Council

Reporting for the financial year 2017/2018

Blackburn with Darwen Borough Council
Breckland District Council
Brentwood Borough Council
Dartford Borough Council
Hastings Borough Council
Sandwell Borough Council
South Gloucestershire Council
Sutton London Borough Council

Reporting for the financial year 2017/2020

Forest Heath District Council and St Edmundsbury Borough Council*
Suffolk Coastal District Council and Waveney District Council*

Date unknown

Epping Forest District Council
Isle of Wight Council
Milton Keynes Council
Wolverhampton City Council

*Statements published by Councils jointly

Whilst utmost care has been put to find the statements we are aware that we might have missed some. We would appreciate if you contact us if your statement has been omitted (o.martin-ortega@gre.ac.uk).

