

Modern Slavery Act 2015

1. Introduction

Modern Slavery Act came into force in October 2015. The Act consolidated slavery and human trafficking offences, strengthened powers of enforcement and introduced tougher penalties. The key clause affecting NHS is section 6 of the Act: "Transparency in Supply Chains". This requires UK based businesses supplying goods or services, who have a turnover in excess of £36million, to annually publish a statement that summarises the steps taken during the previous financial year and plans going forward to ensure that slavery and human trafficking is not taking place in any part of its own business or that of its supply chains. A disclosure statement must be published regardless of whether steps have been taken or not.

Where a UK based business fails to make a statement for any financial year, the Secretary of State can seek a High Court injunction to enforce compliance. If the business fails to act on this injunction, it is in contempt of court. This will be punishable by an unlimited fine. Although it is early days, it is likely that further legislation will follow to ensure there is regulatory enforcement. Non-compliance may also damage the reputation of the organisation.

2. Background

Modern Slavery is defined in the Act to include the following core offences:

- Slavery - ownership exercised over a person
- Servitude – an obligation to provide services and involves coercion
- Forced or compulsory labour – work or service exacted from a person under menace of penalty or where the person has not offered themselves voluntarily
- Human trafficking – arrangement or facilitation of travel with a view to exploiting them

The Global Slavery Index 2016 estimates 45.8 million people are living in some form of modern slavery in 167 countries. 58% are estimated to live in 5 core countries : Bangladesh, India, China, Pakistan and Uzbekistan. These countries provide low-cost labour and produce consumer goods for markets in Western Europe, including the UK. Uzbekistan, for example is the World's sixth largest cotton producer supplying the raw material to produce uniforms and linen. It is estimated that there were 10,000 to 13,000 victims of modern slavery in the UK in 2013, with only 1,746 potential victims referred through the National Referral Mechanism. <http://www.globalslaveryindex.org/country/united-kingdom/>

There is no expectation that a business can *guarantee* there is no modern slavery in its business or through its supply chain however, the purpose of the Act is to put the knowledge of these crimes and the purpose to protect those who are vulnerable at the forefront of all transactions.

Procurement of goods and services within the NHS is complex and may occur by direct supply to end-users, or through a number of local, regional or national procurement hubs.

Modern slavery can be found anywhere in the supply chain but it tends to be much worse further down the value chain, where there is little visibility and the poorest or most vulnerable workers are. It is likely many supply chain professionals would admit to having no visibility beyond their own or second tier supply chains.

3. Current Position

As a corporate body that carries out a business in the UK supplying goods and services with a turnover in excess of £36million, and with a year-end of 31 March 2016, this Trust was obligated under the Act to make a statement for year 2015/16 : Home Office 'A Practical Guide'

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency in Supply Chains etc A practical guide final .pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc_A_practical_guide_final_.pdf). We have not done so.

We now need to rectify this in the current financial year and ensure an annual statement is produced thereafter. Whilst it may be acceptable for this year to report no steps taken in last financial year of 2016/17, there is likely to be reputational and regulatory consequence if no action is taken in the financial year 2017/18.

In the attached Appendices 1 and 2, a draft action plan has been produced to ensure that a thorough review is commenced and appropriate steps implemented to comply with the obligations under the Act. A draft annual statement is included which outlines the Trust's commitment to ensuring due diligence throughout all transactions. The Act requires the annual statement be approved by the Board of Directors and signed by a director, as well as published on the Website and include a link to the statement in a prominent place on the home page.

4. Recommendation

The Group is asked to consider and approve the action plan and annual statement for consideration by the Board of Directors.

Appendix 1

Modern Slavery Act 2015

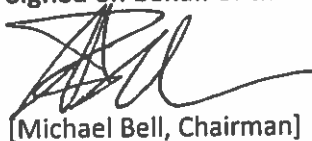
Annual Statutory Statement 2017/18

The Croydon Health Services NHS Trust is an organisation providing acute and community health services across the largest London Borough, with a population of over 380,000 residents.

The Trust employs over 3,900 staff and has a dedicated team of 400 volunteers. More than a third of our staff work within our community services, alongside our partners in primary care and social services, to care for people in-and out-of-hospital. The Trust runs two hospital sites covering both the north and south of the borough: Croydon University Hospital is our main hospital and includes one of the busiest Accident & Emergency Departments in South London. Purley War Memorial Hospital, offers improved access for people living in south Croydon, providing diagnostic and outpatient services, including ophthalmology services provided in partnership with Moorfields Eye Hospital. The Trust's community services delivered across Croydon include community nursing, health visiting, school nursing, homeless health, sexual health and Children's Hospital At Home. These are delivered in a variety of settings, including the home, at schools and colleges and in our 15 other community sites across the London Borough of Croydon.

The Trust is aware of its responsibility towards patients, employees and the community which it serves. It already has a programme for advice and training on slavery and human trafficking available to staff through the Safeguarding Team. However, the Trust also acknowledges that slavery and human trafficking can be less visible through procurement and other contractual supply chains. The Trust expects all its suppliers of goods and services to adhere to ethical values and comply with the requirements of the Modern Slavery Act 2015. An Action Plan for 2017/18 has been approved by the Board of Directors to review our existing supply chains with a view to confirming their appropriate behaviour. The Trust intends to implement evidence gathering questions into its tendering processes for all future contractual relationships and to explore measures over the coming year to elevate the profile of our safeguarding team to promote advice and training.

Signed on behalf of the Board of Directors



[Michael Bell, Chairman]

[John Goulston, Chief Executive]

Dated: 22/08/17

Appendix 2

Modern Slavery Act 2015:

Action Plan 2017/18

Action	Deadline	Lead
Board paper on Modern Slavery Act, action plan and annual statement to be signed by Chairman and CEO for Board Meeting in July 2017 and statement to be published on website thereafter.	15.06.2017 ongoing	Helen Potton, Head of Corporate Affairs
Scope the Trust's procurement flows to identify any other key leads with a procurement function. Although most procurement will be through our procurement team, other directorates have significant procurement roles e.g. Estates, Pharmacy, Catering, Human Resources.	15.06.2017	Moya Berry, Head of Compliance & Regulation
Review existing contractual relationships with supply chains and contact all key suppliers to request confirmation that they are compliant with the Act within their own organisations, sub-contracting arrangements and supply chains. This should include contact with key suppliers identified in other directorates with procurement roles identified above.	05.09.2017	Louise Elliott, Assistant Head of Procurement Tony Reeves, Assistant Director – Commissioner Contracts
Review current pre-qualification questionnaire and tendering process generally to ensure evidence gathering questions are within our documentation. Review potential for introducing a new Standard Supplier Code of Conduct.	15.06.2017	Louise Elliot, Assistant Head of Procurement Tony Reeves, Assistant Director – Commissioner Contracts
Review relevant Trust policies and procedures currently in place and, where necessary, update them e.g. Safeguarding Adults or Whistleblowing.	05.09.2017	Moya Berry, Head of Compliance & Regulation
Review of the Trust's workers contractual arrangements both through direct employment, and through agencies. Contact to be made with key suppliers of workers to ensure they and their subcontractors, etc also comply with this Act.	05.09.2017	Damien McGuinness, Deputy Director of HR

Engage an internal audit review procedure to test supply chain due diligence.	31.10.2017 ongoing	Audit Committee
Review current programme for staff training and advice on modern slavery provided by the safeguarding team, and explore how the profile of this subject can be further elevated	05.09.2017	Estelene Klaussen, Safeguarding Nurse, & Damian McGuinness, Deputy Director of HR