

| | | | |
|---|---|--|------------------------------------|
| Title: Impact assessment of NHS (Slavery and Human Trafficking) Regulations 2024 IA No: n/a RPC Reference No: n/a Lead department or agency: Department of Health and Social Care Other departments or agencies: | Impact Assessment (IA) | | |
| | Date: 30/08/24 | | |
| | Stage: Options | | |
| | Source of intervention: Domestic | | |
| | Type of measure: Secondary Legislation | | |
| Contact for enquiries: commercialpolicy@dhsc.gov.uk | | | |
| Summary: Intervention and Options | | | RPC Opinion: Not Applicable |

| Cost of Preferred (or more likely) Option (in 2023 prices) | | | |
|--|----------------------------|-------------------------------|-------------------------------|
| Total Net Present Social Value | Business Net Present Value | Net cost to business per year | Business Impact Target Status |
| N/A | N/A | N/A | Not a regulatory provision |

What is the problem under consideration? Why is government action or intervention necessary?
S.81 of the Health & Care Act 2022 inserted S.12ZC into the National Health Service Act 2006 (the "NHS Act"), which requires the Secretary of State to make regulations with a view to eradicating modern slavery in NHS supply chains. Modern slavery is an umbrella term encompassing Forced Labour, Human Trafficking, slavery and slavery-like practices. It is estimated by the Global Slavery Index that approximately 50m people are living in modern slavery. The NHS is one of the biggest commercial organisations in the UK, spending £30 billion with approximately 62,000 suppliers annually. Whilst there are laws in place to punish those guilty of modern slavery, the NHS has the opportunity to use its extensive buying power to help mitigate the risk of it occurring in their supply chains in both procurement and supplier management.

What are the policy objectives of the action or intervention and the intended effects?
It is currently planned for the regulations to come into force in spring 2025. The regulations are mainly codifying the requirements of Procurement Policy Note 02/23 ([PPN 02/23: Tackling Modern Slavery in Government Supply Chains - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/procurement-policy-note-02-23-tackling-modern-slavery-in-government-supply-chains)). NHS England is responsible for implementing guidance for NHS bodies but the regulations will apply to both NHS and non-NHS bodies. The success of these implementations will be to establish legal duties for the risk of modern slavery to be understood in NHS supply chains and to be addressed where necessary.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

- Do Nothing/Business As Usual – continue with the 'as is' and ensure the PPN is implemented. This is a no-cost option. This would not deliver the statutory duty of implementing regulations and is not the preferred option.
- Narrow Scope Regulations – implementing regulations for NHS bodies only. This is not the preferred option, as this is unlikely to meet the legal duty within the NHS Act. Further, with a number of procurement routes available, should non-NHS organisations procure on behalf of NHS bodies, the legal duty will not apply in these cases leading to disparate approaches within the supply chain. This option will cost approximately £80,000, for a digital tool, and approximately £1.4m in quantified staff time to implement the changes.
- Broad Scope Regulations – implementing regulations placing obligations for any Public Body procuring goods and services for the purposes of the NHS. **This is the preferred option**, as this meets the legal duty within the NHS Act, whilst ensuring all procured goods and services for the health service are covered in the scope. This option will cost approximately £80,000 for a digital tool, and approximately £2.3m in quantified staff time to implement the changes.

| | | | | |
|--|----------|-------------|-----------------|----------|
| Will the policy be reviewed? It will be reviewed. If applicable, set review date: Spring 2026 | | | | |
| Is this measure likely to impact on international trade and investment? | | No | | |
| Are any of these organisations in scope? | Micro No | Small No | Medium No | Large No |
| What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent) | | Traded: n/a | Non-traded: n/a | |

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: Karin Smyth Date: 14/11/2024

Summary: Analysis & Evidence

Policy Option 1

Description: Do Nothing / Business As Usual

FULL ECONOMIC ASSESSMENT

| Price Base Year 2023 | PV Base Year 2024 | Time Period Years | Net Benefit (Present Value (PV)) (£m) | | |
|-------------------------|----------------------|----------------------|---------------------------------------|----------------|-------------------|
| | | | Low: Optional | High: Optional | Best Estimate: £0 |

| COSTS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|-----|---|-------------------------------|
| | Low | Nil | | |
| High | Nil | | Nil | Nil |
| Best Estimate | £0 | | | |

Description and scale of key monetised costs by 'main affected groups'

The affected groups are Public Bodies procuring goods and services for the purposes of the NHS. There are no costs associated with this option. NHS bodies already have a policy obligation to comply with the content of PPN 02/23 to ensure procurement and contracting activity is risk assessed. PPN02/23 only applies to Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies, and NHS bodies so the obligations on other Public Bodies would remain the same.

Other key non-monetised costs by 'main affected groups'

There is no change in operations for the do nothing option. On the basis that NHS bodies have an existing obligation to comply with PPN 02/23.

| BENEFITS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|--|----------|---|----------------------------------|
| | Low | Optional | | |
| High | Optional | | Optional | Optional |
| Best Estimate | | | | |

Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits associated for the main affected groups associated with the 'do nothing' option.

Other key non-monetised benefits by 'main affected groups'

There are no non-monetised benefits from this option as this is the counterfactual other options are compared with.

Key assumptions/sensitivities/risks

Discount rate (%)

There was a parliamentary commitment made to the implementation of these regulations during the passage of the Health & Care Act 2022. This option would not meet the Secretary of State's legal duty to make regulations in this area which could result in legal challenge and is likely to be deemed unlawful.

BUSINESS ASSESSMENT (Option 1)

| | | | |
|---|-----------|------|---|
| Direct impact on business (Equivalent Annual) £m: | | | Score for Business Impact Target (qualifying provisions only) £m: |
| Costs: | Benefits: | Net: | |
| | | | |

Summary: Analysis & Evidence

Policy Option 2

Description: Narrow Scope Regulations

FULL ECONOMIC ASSESSMENT

| Price Base Year 2023 | PV Base Year 2024 | Time Period Years | Net Benefit (Present Value (PV)) (£m) | | |
|-------------------------|----------------------|----------------------|---------------------------------------|----------------|----------------|
| | | | Low: Optional | High: Optional | Best Estimate: |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|---|---|-------------------------------|
| Low | £1,512,822 | Optional | Optional |
| High | £1,512,822 | Optional | Optional |
| Best Estimate | £1,512,822 | | |

Description and scale of key monetised costs by 'main affected groups'

The affected groups are Public Bodies procuring goods and services on behalf of the NHS. There is a cost of approximately £80,000 (currently funded by NHS England) to procure a risk assessment tool for the e-procurement system used in the NHS.

Public Bodies impacted by the implementation of these regulations will have to increase efforts in procuring, upskilling personnel to evaluate tender responses and to contract manage suppliers where incidences of modern slavery arise. There is an estimated cost of £1.4m in staff time to familiarise and implement the regulations and guidance but this is expected to be covered within existing resource. The impact assessment takes into account the time required for training and development, and time to implement within existing procurement processes. Ongoing costs are too small to quantify as the regulations would become BAU longer-term.

Opportunity costs have been calculated to produce a Quality Added Life Year impact assessment for this option:

QALY – 100.85

QALY Societal Value - 7,059,835.92

Other key non-monetised costs by 'main affected groups'

Most costs associated with this is option are associated with personnel costs through project delivery as part of core business of the DHSC and NHS England personnel and legal advisors. There will be further non-monetised costs associated with undertaking a public consultation, and laying the regulations in parliament. All these costs are captured within existing budgets and no additional funds have been requested.

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|---|---|----------------------------------|
| Low | Optional | Optional | Optional |
| High | Optional | Optional | Optional |
| Best Estimate | | | |

Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits identified through this option.

Other key non-monetised benefits by 'main affected groups'

Public Bodies who are not NHS bodies will not be required to comply with the duties placed on NHS bodies under this option. This reduces risk of challenge in their procurement processes.

Focussed efforts on NHS procuring entities can be placed due to narrow application of the duties.

The NHS will only contract directly with organisations who are actively working to eradicate modern slavery from the supply chains following the implementation of these regulations.

| Key assumptions/sensitivities/risks | Discount rate (%) |
|-------------------------------------|-------------------|
|-------------------------------------|-------------------|

An assumption is made that any framework provider owned or commissioned by the NHS will be covered by these regulations, and these rules will be aligned to upcoming NHS England accreditation of frameworks.

This alignment mitigates the risk that implementing narrow scope regulations will result in two regimes for NHS Supply Chains - one which requires regulation (and applies to NHS bodies), and one which complies with policy (and applies to Public Bodies which are not NHS bodies). There is a risk that markets may therefore be expected to respond to two different regimes more broadly with the narrow scope option as less Public Bodies would be captured in scope of these regulations.

BUSINESS ASSESSMENT (Option 2)

| Direct impact on business (Equivalent Annual) £m: | | | Score for Business Impact Target (qualifying provisions only) £m: |
|---|---------------|----------|---|
| Costs: n/a | Benefits: n/a | Net: n/a | |
| | | | |

Summary: Analysis & Evidence

Policy Option 3

Description: Broad Scope Regulations

FULL ECONOMIC ASSESSMENT

| Price Base Year 2023 | PV Base Year 2024 | Time Period Years | Net Benefit (Present Value (PV)) (£m) | | |
|-------------------------|----------------------|----------------------|---------------------------------------|----------------|----------------|
| | | | Low: Optional | High: Optional | Best Estimate: |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant | Total Cost (Present Value) |
|---------------|--|--|-------------------------------|
| Low | £2,360,847 | n/a | n/a |
| High | £2,360,847 | n/a | n/a |
| Best Estimate | £2,360,847 | | |

Description and scale of key monetised costs by 'main affected groups'

The affected groups are Public Bodies procuring goods and services for the purposes of the NHS. There is a cost of approximately £80,000 (currently funded by NHS England) to procure a risk assessment tool for the e-procurement system used in the NHS.

Public Bodies impacted by the implementation of these regulations will have to increase efforts in procuring, upskilling personnel to evaluate tender responses and to contract manage suppliers where incidences of modern slavery arise.

There is an estimated cost of £2.3m in staff to familiarise and implement the regulations and guidance but this is expected to be covered within existing resource. The impact assessment takes into account the time required for training and development, and time to implement within existing procurement processes.

Ongoing costs are too small to quantify as the regulations would become BAU longer-term.

Opportunity costs have been calculated to produce a Quality Added Life Year impact assessment for this option:

QALY – 157.38

QALY Societal Value - 11,016,350.61

Other key non-monetised costs by 'main affected groups'

Most costs associated with this is option are associated with personnel costs through project delivery as part of core business of the DHSC and NHS England personnel and legal advisors. There will be further non-monetised costs associated with undertaking a public consultation, and laying the regulations in parliament. All these costs are captured within existing budgets and no additional funds have been requested.

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant | Total Benefit (Present Value) |
|---------------|--|--|----------------------------------|
| Low | Optional | Optional | Optional |
| High | Optional | Optional | Optional |
| Best Estimate | | | |

Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits identified following implementation of these regulations.

Other key non-monetised benefits by 'main affected groups'

The key benefit from implementing broad scope regulations is a consistent approach to risk management in NHS supply chains. A greater understanding of modern slavery risk in supply chains as well as category-specific analysis will provide a strategic and consolidated response by the NHS to risks identified. The NHS will only contract with organisations who are actively working to eradicate modern slavery from the supply chains following the implementation of these regulations.

There will also be a benefit of greater transparency and closer supplier monitoring to improve supply resilience, identifying and addressing issues sooner. The regulations and guidance also provides a framework to address specific issues relating to procurement in NHS supply chains which can then benefit from specific and tailored responses.

Key assumptions/sensitivities/risks

Discount rate (%)

There is a risk that the implementation of these regulations may increase scrutiny in supply chains, resulting in risk to supply of products if mitigations of the modern slavery risks are not remedied in accordance with the statutory duty.

The expected impact on businesses will be consulted on and we expect to reflect any potential costs within an updated impact assessment after consultation.

BUSINESS ASSESSMENT (Option 3)

| Direct impact on business (Equivalent Annual) £m: | | | Score for Business Impact Target (qualifying provisions only) £m: |
|---|---------------|----------|---|
| Costs: N/A | Benefits: N/A | Net: N/A | |

Problem under consideration and rationale for intervention

1. Section 12ZC of the National Health Service Act 2006 (the “2006 Act”), as inserted by section 81 of the Health and Care Act 2022 (enacted 1 July 2022), requires the Secretary of State to make regulations containing such provision as they think appropriate with a view to eradicating the use in the NHS in England of goods or services that are tainted by slavery or human trafficking.
2. Section 12ZC sets out that the regulations may include, in particular, provision in relation to:
 - procurement processes – in particular excluding suppliers from consideration where their goods or services have been tainted by slavery or human trafficking;
 - steps to be taken in order to assess and address risks – to make sure risks are actively and effectively handled; and
 - provisions which must be included in contracts with suppliers, which could include provisions allowing for the termination of contracts where modern slavery is found.

Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)

3. DHSC and NHSE want to use the section 12ZC power to make regulations which impose broad legal duties in relation to modern slavery and procurement that are in line with the guidance set out in PPN 02/23 and its accompanying documents. One major change is that, while the PPN does not apply to Public Bodies which are not Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies, or NHS bodies, the regulations will also apply to other public bodies, such as local authorities, when they procure goods and services for the purpose of the health service in England.
4. The level of analysis conducted within this impact assessment is light touch on the basis the policy is already implemented for a wide range of Public Bodies and the regulations will be codifying existing policy.
5. A public consultation with all contracting and relevant authorities impacted by these regulations will be undertaken including those Public Bodies out of scope of the PPN.
6. The options considered need to be assessed for compliance in accordance with the duties placed in the 2006 Act, therefore three options have been considered and assessed against the statutory duty required.

Description of options considered

7. Three options have been considered for this impact assessment.

8. Option 1 – Do Nothing / Business As Usual

In line with the guidance set out in the [HMT Green Book](#), the baseline option established for comparison is a Do Nothing or Business As Usual option, where we continue with the current rules and do not implement the regulations. This option was discounted quickly for two reasons.

1. A statutory duty has been established within primary legislation for regulations to be implemented. This option would therefore not deliver the statutory duties, and could open the Secretary of State up to legal challenge through Judicial Review.
2. A public commitment was made in parliament for the Secretary of State to implement these regulations prior to the statute being enacted. This option does not therefore align to the intentions and position of parliament as asserted by members of the Houses.

In this case, Option 1 is not our preferred option.

9. Option 2 – Narrow Scope Regulations

Implementing regulations will only apply to NHS bodies. In this option, NHS bodies would be defined as NHS England and any subsidiaries, NHS Trusts (including Foundation Trusts and Ambulance Trusts), NHS Blood and Transport Service, NHS Business Services

Authority, any NHS controlled procurement hubs or framework providers and Integrated Care Boards; this list is not exclusive.

Whilst the majority of procurement activities would be captured, any framework provider not controlled by the NHS would fall out of scope. Specific examples include the Crown Commercial Service, Yorkshire Purchasing Organisation and ESPO, framework providers the NHS routinely access. As framework providers have discretion as to the subject matter contained within their frameworks, should narrow scope regulations be implemented, both the NHS and external framework providers could implement buying solutions which would be subject to different regimes in relation to Modern Slavery. There is a small risk that suppliers may then be expected to respond to different regimes, which arguably would be a disproportionate approach to addressing Modern Slavery Risks in supply chains, and could increase costs for suppliers.

Given the analysis of this option could lead to possibly poor outcomes for the NHS, their supply chains and those currently living in modern slavery, we do not recommend this option.

Option 2 is not our preferred option.

10. Option 3 – Broad Scope Regulations

Broad scope regulations would apply to any Public Body procuring goods and services on behalf of health services. This includes not just the above-mentioned framework providers sitting outside the control of the NHS, but Local Authorities, other Public Bodies working joining with the NHS and the Department of Health and Social Care.

By implementing regulations which encompass all Public Bodies procuring goods and services for the health service, a consistent application of the regulations will occur.

Further, if the PPN was to be amended in terms of approach in future, the regulations would still apply.

This option would also have the greatest impact on increasing transparency in NHS supply chains by creating a specific regulatory and guidance framework to respond to any incidences of modern slavery risk in NHS supply chains. The guidance can describe specific recommendations and approaches to address procurement of goods and services for the health service, and focus on specific procurement regimes, organisational approaches and category-level responses to eradicate modern slavery.

Option 3 is our preferred option.

Policy objective

11. Section 12ZC of the National Health Service Act 2006 (the “2006 Act”), as inserted by section 81 of the Health and Care Act 2022 (enacted 1 July 2022), requires the Secretary of State to make regulations containing such provision as they think appropriate with a view to eradicating the use in the NHS in England of goods or services that are tainted by slavery or human trafficking.
12. By implementing regulations, our objective is to place a statutory duty on Public Bodies procuring goods and services on behalf of the health service.
13. Placing this duty demonstrates commitment to eradicate modern slavery within NHS Supply Chains and should improve procurement activities through the implementation of a sector-specific response to modern slavery.

Summary and preferred option with description of implementation plan

14. The preferred option is Option 3 of the appraisal above, to implement Broad Scope Regulations.
15. Option 3 ensures there is one approach for the procurement of goods and services for the health service, and that all Public Bodies are captured within the coverage of the regulations.
16. The implementation will be supported by a detailed communication and engagement plan, identifying affected stakeholders.

17. The implementation of these regulations will be supported by guidance issued to all affected Public Bodies. The guidance will instruct how to apply the regulations pre-procurement, within procurement activities and during contract management.
18. An implementation period of approximately five months is planned.

Monetised and non-monetised costs and benefits of each option (including administrative burden)

19. Option 1

- Monetised costs or benefits are not identified for this option.
- Non-monetised costs would include the risk of breach of primary legislation.

20. Option 2

- A monetised cost of £80,000 for this option was determined for the implementation of a Modern Slavery Risk Assessment Tool to be implemented within existing e-procurement systems.
- Non-monetised costs relate to personnel time required to implement the regulations. All personnel time is sourced from within existing headcount and no additional resources have been requested to support the project. The estimated cost for this option is £1.4m and was calculated based on using the average salary for an employed procurement professional of £57,281 per annum, equating as an hourly rate of £29.23. This is in accordance with the CIPS 2023-24 Salary Survey¹. The calculations for this are presented as follows:

| Contracting Authority | Relevant Staff | Hours | Total Cost |
|---|----------------|-------|-------------------|
| DHSC Project Team | 1 | | £100,000 |
| NHS England Project Team | 3 | 780 | £68,408 |
| Legal Advisors | 4 | 364 | £42,565 |
| NHS Policy Teams | 4 | 15 | £1,754 |
| NHS Commercial Team Training | 1600 | 15 | £701,624 |
| NHS Commercial Teams Familiarisation | 2400 | 3 | £210,487 |
| NHS Supply Chain Training | 55 | 15 | £24,118 |
| NHS Supply Chain Familiarisation | 180 | 3 | £15,787 |
| Central Purchasing Body including Commissioning Support Units and Framework Providers | 1260 | 7 | £257,847 |
| Combined Authorities | 50 | 7 | £10,232 |
| | | | £1,432,822 |

- The implementation of a sector-specific regulatory framework for procurement of goods and services to deliver health services means tailored, and appropriate, responses can be defined within the regime and within guidance.
- The implementation of these regulations will also increase transparency within supply chains and closer supplier monitoring to proactively assess, identify and address risks within the specific supply chains for the delivery of health services, before contract are established.

21. Option 3

- A monetised cost of £80,000 for this option was determined for the implementation of a Modern Slavery Risk Assessment Tool to be implemented within existing e-procurement systems.
- Non-monetised costs relate to personnel time required to implement the regulations. All personnel time is sourced from within existing headcount and no additional

¹ CIPS Procurement Salary Guide | CIPS

resources have been requested to support the project. The estimated cost for this option is £1.4m and was calculated based on using the average salary for an employed procurement professional of £57,281 per annum, equating as an hourly rate of £29.23. This is in accordance with the CIPS 2023-24 Salary Survey². The calculations for this are presented as follows:

| Contracting Authority | Relevant Staff | Hours | Total Cost |
|---|-----------------------|--------------|-------------------|
| DHSC Project Team | 1 | | £100,000 |
| NHS England Project Team | 3 | 780 | £68,408 |
| Legal Advisors | 4 | 364 | £42,565 |
| DHSC Commercial Familiarisation | 80 | 3 | £7,016 |
| ALBs Familiarisation | 200 | 3 | £17,541 |
| NHS Policy Teams Implementation | 4 | 15 | £1,754 |
| NHS Commercial Team Training | 1600 | 15 | £701,624 |
| NHS Commercial Teams Familiarisation | 2400 | 3 | £210,487 |
| NHS Supply Chain Training | 55 | 15 | £24,118 |
| NHS Supply Chain Familiarisation | 180 | 3 | £15,787 |
| Central Purchasing Body including Commissioning Support Units and Framework Providers | 1260 | 7 | £257,847 |
| Local Government Association Policy Support | 3 | 37 | £3,245 |
| Local Authority Training | 330 | 15 | £144,710 |
| Local Authority Familiarisation | 3300 | 7 | £675,313 |
| Combined Authorities | 50 | 7 | £10,232 |
| | | | £2,280,647 |

- The implementation of a sector-specific regulatory framework for procurement of goods and services to deliver health services means tailored, and appropriate, responses can be defined within the regime and within guidance.
- The implementation of these regulations will also increase transparency within supply chains and closer supplier monitoring to proactively assess, identify and address risks within the specific supply chains for the delivery of health services, before contract are established.
- Option 3, introducing broad scope regulations, will require compliance from more Public Bodies than Option 2, implementing narrow scope regulations. The risk of indirect costs and possible increases to resource to deliver the duties of these regulations will therefore be greater.

Direct costs and benefits to business calculations

22. In accordance with the Better Regulations Framework, as the Broad Scope Regulations implement duties on Public Bodies within their procurement activities, this is a non-qualifying regulatory provision under the guidance and is an exempt activity under section 2.3 of the Guidance Document³.
23. Some private sector collaborative providers of frameworks may be impacted by the cost of implementation and the impact of this will be assessed fully following the consultation.

² CIPS Procurement Salary Guide | CIPS

³ BRF guidance - Final version for digital.pdf (publishing.service.gov.uk)

Risks and assumptions

24. There is an assumption that the duty established in the 2006 Act will not be repealed through any concurrent activities related to the Procurement Bill. On this basis, the Secretary of State continues to commit to delivering these regulations in accordance with the duty placed within statute.
25. There is a risk that the implementation of these regulations may increase scrutiny in supply chains, resulting in risk to supply of products if mitigations of the modern slavery risks are not remedied in accordance with the statutory duty. The planned mitigations include category-level risk assessments to be embedded within framework agreements, as well as contract Terms and Conditions being implemented through powers in the regulations for suppliers to respond to risks and give opportunities for existing supply chains to make improvements to their supply practices.
26. There is an unquantified cost of doing business when implementing sustainable policies in procurement, but this should prompt more innovative procurement designs, focused specifications, and improved allocation of existing resources.

Impact on small and micro businesses

27. In accordance with the Better Regulations Framework, as the Broad Scope Regulations implement duties on Public Bodies within their procurement activities, this is an exempt activity under section 2.3 of the Guidance Document⁴.

Wider impacts (consider the impacts of your proposals)

28. Progressing with our preferred option will ensure the application of modern slavery risk assessments, identification, and response will be consistent across all Public Bodies responsible for procuring goods and services to deliver health services.
29. By implementing this approach, markets can be confident that the regulatory framework, guidance and methodologies will require a more efficient response, with focus on specific categories of spend, by Public Bodies who are owning procurement interventions.
30. By implementing these regulations, the DHSC and NHS England are sending a clear message to internal and external stakeholders alike of their commitment to eradicate modern slavery in the procurement of health-related goods and services.
31. This approach aims to increase transparency within supply chains and ensures Public Bodies within health goods and services markets are responding to risks of modern slavery before contracts are let.
32. Robust procurement and contractual steps built into the regulations and guidance will ensure that Public Bodies are equipped to respond to incidences of modern slavery.

A summary of the potential trade implications of measure

33. As the proposed regulations aim to codify the requirements of PPN 02/23, there is not expected to be any trade implications.

Monitoring and Evaluation

34. The Health Family have implemented a cross-industry wide e-procurement system called Atamis. This provides an opportunity for a single reporting mechanism regarding the implementation of modern slavery risk assessments within the tool.
35. There is a programme of work to track the utilisation of the social value model implemented the cabinet officer to understand the metrics and achievements established through application of the MAC by cross-government organisations. We plan to introduce a similar reporting mechanism for applicable organisations for modern slavery risk.
36. Contract management functionality will be built into Atamis to support review of the implementation.

⁴ [BRF guidance - Final version for digital.pdf \(publishing.service.gov.uk\)](#)

37. The DHSC and NHS England will continue engagement following implementation with affected stakeholders to ensure that any arising risks or issues as a result of this policy implementation will be responded to appropriately.
38. Best practice approaches across Public Bodies will also be documented and shared to support development of procurement category responses and to benchmark approaches to mitigations.
39. We aim to engage with framework providers to ensure proportionate review and evaluate implementation after one year of the regulations coming into force.
40. A formal review of the regulations and implementation will be conducted approximately one year after the regulations come into force.