



## Procurement Sub-Committee

**Date:** WEDNESDAY, 16 JANUARY 2019  
**Time:** 10.00 am  
**Venue:** COMMITTEE ROOMS - 2ND FLOOR WEST WING, GUILDHALL

**Members:** Hugh Morris (Chairman)  
Deputy Robert Merrett (Deputy Chairman)  
Randall Anderson  
John Fletcher  
Michael Hudson  
Deputy Clare James  
Susan Pearson  
Deputy Jamie Ingham Clark  
Jeremy Mayhew

**Enquiries:** John Cater  
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**NB: Part of this meeting could be the subject of audio or video recording**

**John Barradell**  
Town Clerk and Chief Executive

# AGENDA

1. **APOLOGIES**

2. **DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To approve the public minutes of the Procurement Sub-Committee meeting held on 7<sup>th</sup> November.

**For Decision**

(Pages 1 - 6)

4. **UPDATE ON PLAN TO IMPROVE 10-DAY PAYMENT PERFORMANCE**

Report of the Chamberlain.

**For Information**

(Pages 7 - 12)

5. **UPDATE ON IMPLEMENTATION TO ENHANCEMENTS TO LIVING WAGE POLICY - SUPPLIER CONTRACTS**

Report of the Chamberlain.

**For Information**

(Pages 13 - 16)

6. **CITY CORPORATION MODERN SLAVERY STATEMENT**

Report of the Chamberlain

**For Information**

(Pages 17 - 40)

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUBCOMMITTEE**

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

9. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**For Decision**

10. **NON-PUBLIC MINUTES**

To approve the non-public minutes of the Procurement Sub-Committee meeting held on 7<sup>th</sup> November.

**For Decision**

(Pages 41 - 44)

11. **MAJOR CONSTRUCTION WORKS FRAMEWORKS - STAGE 2 AWARD REPORT**  
The Chamberlain and City Surveyor on behalf of the Construction and Property  
Category Board  

**For Decision**  
(Pages 45 - 52)
12. **MINOR WORKS FRAMEWORKS - STAGE 2 AWARD REPORT**  
The Chamberlain and City Surveyor on behalf of the Facilities Services Category  
Board  

**For Decision**  
(Pages 53 - 58)
13. **DEPARTMENTAL RESPONSE TO LATEST CHIEF OFFICERS PURCHASE CARD  
REPORT**  
Report of the Chamberlain  

**For Information**  
(Pages 59 - 62)
14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE  
SUB-COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND  
WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE  
PUBLIC ARE EXCLUDED**

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## PROCUREMENT SUB-COMMITTEE

Wednesday, 7 November 2018

Minutes of the meeting of the Procurement Sub-Committee held at the Guildhall EC2 at 3.00 pm

### Present

#### Members:

Hugh Morris (Chairman)	Michael Hudson
Deputy Robert Merrett (Deputy Chairman)	Susan Pearson
Randall Anderson	Deputy Jamie Ingham Clark
John Fletcher	Jeremy Mayhew
Jeremy Simons	

#### Officers:

Adrian Moody	- Senior Category Manager
Mike Saunders	- Head of Asset Management
Jade Marjorum	- Category Manager
Alan Strambini	- Business & Project Reporting Manager
Chris Bell	- Commercial Director
Mark Vincent	- Projects & Data Manager
Steve Presland	- Transportation and Public Realm Director
James Carter	- Senior Category Manager
Lisa Moore	- Policy and Compliance Officer
Ola Obadara	- Projects Director

#### 1. APOLOGIES

Apologies were received from Clare James.

#### 2. DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

#### 3. MINUTES

The Minutes of the meeting of on 24<sup>th</sup> July 2018 were approved as an accurate record.

A Member suggested that a note of matters arising be provided at future meetings and the Chairman asked the Town Clerk to include a schedule of outstanding actions as a standing item on future agendas.

#### 4. PRESENTATION - PROCUREMENT SAVINGS AND EFFICIENCY PROCESS AND PERFORMANCE

The Sub Committee received a presentation from the Commercial Director outlining savings targets, target setting and what was in and out of scope.

The following points were made during the presentation:

- City Procurement were set an annual savings target each year based on contracts to be let during the financial year with potential for cost saving and also including on-going savings achieved in previous years through contracts running over multiple years.
- Procurement savings would be a competitive like for like saving through a procurement process driving it.
- New contracts would be reviewed by the relevant category board to set targets whilst taking into consideration historic spend, scope changes, complexity, risk and industry benchmarks.
- That not all City Procurement does would generate savings; there were occasions when compliance requirements would need to be met and this needed to be acknowledged.
- City Procurement works with department stakeholders to identify baseline target prices on a like for like basis compared to current services. Finance Committee has ultimate sign off and agrees the target.
- All contracts were tracked for savings and reported to Finance Committee quarterly.

A Member referred to his discussion with the Chairman of Finance and a suggestion that next year departments begin to pay for the service provided by the City Procurement Team and with any savings achieved going back into their departmental budget.

A Member, also Chairman of Finance, commented that he thought this approach would be fairer and offer a consistent method of financial management. It was thought offering departments an incentive would help towards delivering consistent improvement.

The Commercial Director clarified that discussions had already taken place at an officer governance level and that, with Member support on this issue, it could now be fast tracked through the decision-making process.

A Member referred to a point of principle being that where City Procurement have a target and fail to achieve it, or it goes out for more or over the base price, that this figure should come off the saving. The Member asked for clarification on this point and the Commercial Director confirmed that the figure would come off the saving.

**Resolved**, that the Commercial Director be heard.

## 5. CITY PROCUREMENT QUARTERLY PROGRESS REPORT

The Sub Committee received a report of the Chamberlain providing an update on the work of City Procurement, key performance indicators and areas of progress as at the end of September 2018.

A Member questioned whether there were any departments that required an increased level of focus based on the figures. The Commercial Director referred to league tables there were previously produced and confirmed that he

would be happy to provide these going forward to provide Members with comparable data. This would offer Members additional information and allow them to gain an understanding of those departments that might benefit from an additional level of attention.

A Member referred to payment performance and questioned why the targets were not being met. The Commercial Director explained that the target to pay all invoices within 30 days had been increased to 97% this year and it was suggested that key to achieving this target and the target of payment of all invoices to small and medium size enterprises within 10 days would be good receipting from departments. Members were assured that the City Procurement Team were working tirelessly looking at options to hit the targets. It was stressed to Members that the City Corporation was very high performing when compared to its peers.

The Commercial Director explained that the True PDF Project would provide part of the solution and that work was continuing with partners to develop this project, which was ready to go once the technology was in place. It was anticipated that workload within the team would reduce once the system was in place.

6. **ACTION PLAN TO IMPROVE 10-DAY PAYMENT PERFORMANCE**

The Sub-Committee received a report of the Chamberlain informing them of City Procurement's plan to improve 10-day payment performance of all invoices to small and medium size enterprises (SMEs).

The Chairman explained to Members that the origin of the 10-day payment target was shrouded in mystery. Members noted that discussions had taken place with the Chairman of Finance considering making the target working days rather than calendar days. Agreement was now being sought to this proposal and Members offered their endorsement.

**RESOLVED**, that the update and action plan be noted; it be agreed that the target of payment of invoices to SMEs be updated with immediate effect to be 10 working days going forward from November 2018.

7. **LIVING WAGE ACCREDITATION - POTENTIAL ENHANCEMENTS**

The Sub-Committee received a report of the Chamberlain updating on a proposed enhancements to the City Corporation's commitment to the London Living Wage.

The Commercial Director responded to a Member confirming the decision of Policy and Resources Committee to support enhancements to the London Living Wage with an uplift being introduced immediately in the next payable month.

**RESOLVED**, that the report be received, and the contents noted.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

A Member referred to an issue raised at Project Sub Committee when it was highlighted that City Procurement were not able run a procurement process owing to a lack of staff. The Members stressed that City Procurement needed the right resources in place to support the organisation and the Commercial Director was asked whether he considered his team to be appropriately resourced.

The Commercial Director responded and explained that the issue raised at Project Sub Committee had highlighted difficulties encountered by his team when structured forward planning was not in place. This year had seen an emergence of a number of unplanned high-value politically sensitive construction projects requiring the services of City Procurement. This had resulted in the team experiencing pressure points and Members were assured that work was continuing with the Chamberlain to ensure the team had the right resources in place to support the organisation moving forward whilst having enough flex to resource projects.

The Commercial Director remarked that, were the City Corporation to continue delivering major new projects, resources within his team may need reviewing. It was agreed that staffing would be included as part of City Procurement's General Update report in future. The Commercial Director referred to the many projects his team were running at any one time without problems and stressed it was often only those not going well were seen.

The Commercial Director agreed to report back on a quarterly basis in relation to staffing.

9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

10. **EXCLUSION OF THE PUBLIC** – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

<b>Item</b>	<b>Paragraph</b>
11	3
12	3
13	1
14	1
15	3
16	1-3
17	3

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting on 24<sup>th</sup> July were approved as an accurate record.

12. **PROJECT MANAGEMENT CONSULTANTS (FOR CONSTRUCTION) FRAMEWORK PROCUREMENT STAGE 1 STRATEGY REPORT**



The Sub Committee considered and agreed a report of the Chamberlain concerning the procurement strategy and evaluation criteria for the selection suppliers.

**13. WASTE COLLECTION, STREET CLEANSING AND ANCILLARY SERVICES - CONTRACT AWARD**

The Sub Committee considered and agreed a proposal concerning the award of a contract for the provision of waste collection, street cleaning and ancillary services.

**14. HOUSING RESPONSIVE REPAIRS, MAINTENANCE AND VOIDS SERVICE - PROCUREMENT STAGE 2 AWARD REPORT**

The Sub Committee considered and agreed a proposal concerning the award of contracts for the provision of housing responsiveness repairs, maintenance and voids service.

**15. REVISIONS TO THE COMPETITIVE PROCUREMENT EXEMPTIONS POLICY**

The Sub Committee considered and agreed a report of the Chamberlain proposing changes to the procurement exemptions policy.

**16. DEPARTMENTAL RESPONSE TO LATEST CHIEF OFFICERS PURCHASE CARD REPORT**

The Sub Committee received a report of the Chamberlain providing an update in relation to Chief Officers Purchase card usage.

**17. SUMMARY REPORT ON NON-COMPLIANT WAIVERS OVER £50K FROM JULY 2018 - SEPTEMBER 2018**

The Sub Committee received a report of the Chamberlain providing an update on non-compliant waivers.

**18. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no non-public questions.

**19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.

**The meeting closed at 4.02pm**

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Chairman

**Contact Officer: Chris Rumbles**  
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<b>Committee(s)</b>	<b>Dated:</b>
Procurement Sub Committee	16 January 2019
<b>Subject:</b> Update on Plan to Improve 10-Day Payment Performance	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Chris Bell, Commercial Director, Chamberlain's	

## Summary

The report updates Members on City Procurement's plan to improve 10-day payment performance, which mainly relates to the payment of invoices from small and medium-sized enterprises (SMEs). Since the action plan was produced we have seen a positive impact with 10-day payment performance increasing from 84% in October to 91% in November. The body of the report discusses the various actions taken to date.

### **Members are asked to:**

Note the plan and updates.

### **Main Report** **Background**

1. The Accounts Payable (AP) function within City Procurement has a target to pay 85% of invoices from SMEs within 10 days of receiving each invoice. The target was reduced to 85% from 88% at the start of the current financial year, as the 88% target had proved unachievable during the previous 24 months, due to a number of challenges. Having not been able to meet the 85% target in the first half of this year, an action plan was drawn up to improve the 10-day payment performance and presented to the Procurement Sub Committee in November 2018. It was decided at that committee meeting that from November 2018 the 10-day payment performance would be based on working days rather than calendar days.

### **Updates on Action Plan**

2. Updates on the action plan are as follows:
  - i. Set up rules in AP mailbox to prioritise SME invoices – Rules for 30 suppliers were set up initially, but since September rules for a further 30 suppliers have been added. The selection of suppliers was based on invoice volumes and frequency of late payments. It has been decided by AP management that no further rules will be applied, because the low volume of invoices received from each of the other SMEs means that the benefits of setting up rules for them are minimal and do not justify the work involved, so this action is complete.
  - ii. Add the SME flag to the Expected Receipts report – Having discussed this further with the Oracle Team, we will not be adding the SME flag to

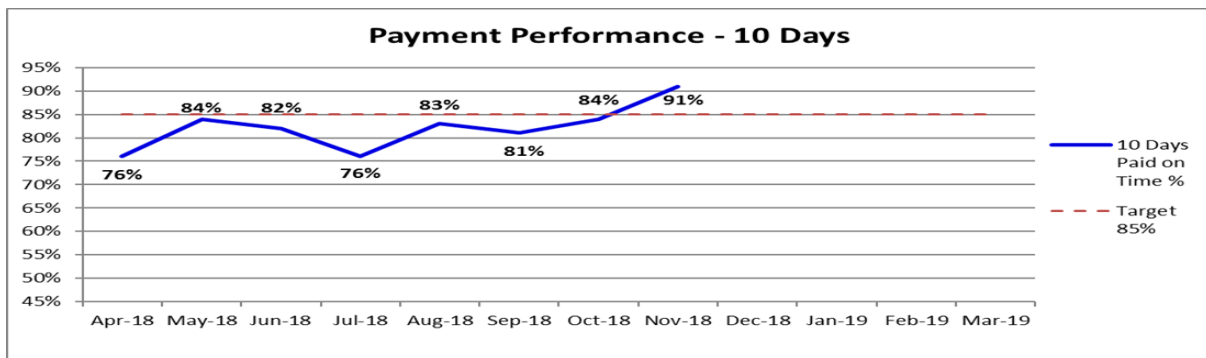
the Expected Receipts report, and instead it will be added to the Invoices on Hold report as per the next point. This action is now closed.

- iii. Give priority to SME invoices when chasing invoices on hold – To assist with invoice holds chasing, and to help prioritise SME invoices on hold, the SME flag will be added to the Invoices on Hold report. A system development is required, and this has been added to the City Procurement workplan, which should hopefully see the SME flag added to the Invoices on Hold report in early 2019.
- iv. Email all staff who receive confirm receipt notifications – An email was issued on 21 November 2018 to Oracle users who could receive a confirm receipt notification, reminding them of the importance of receipting purchase orders (POs) in a timely manner. This action is now complete.
- v. Email all departmental business managers (invoices directly to AP) – An email was issued on 19 December 2018 reminding Business Managers of the importance of sending invoices directly to AP by email. This action is now complete.
- vi. Continue working to eradicate paper invoices – Action is ongoing and over 92% of incoming invoices are now received in an electronic format, i.e. by email, via an interface or through our electronic portal.
- vii. Target low performing departments – Following significant improvement in the 10-day payment performance, we are targeting only those Departments which are performing worst against the target to pay 97% of all undisputed invoices within 30 days. We expect 10-day performance to benefit from this action as well, because invoices from SMEs are included in the 30-day target for all suppliers. The City of London Police are a key target given their ongoing operational finance performance issues.

### Results of the Action Plan

- 3. Because of the actions taken above and the agreement in the last Procurement Sub Committee to change the basis of 10-day payment performance to working days rather than calendar days, we have seen a significant improvement. An increase from 81% in September to 84% in October, just short of the 85% target, appears to be attributable to the new AP mailbox rules. With the additional change from calendar to working days in November, a further increase from 84% in October to 91% in November was achieved.

**Figure A – 10-Day SME Payment Performance trend report (Target 85%)**



## **Comparison with other London Boroughs**

4. Analysis of other London Boroughs' payment performance was undertaken, as it is a legal requirement under Regulation 113 of The Public Contracts Regulations 2015 to publish payment performance for 30-day invoices, to see how the City Corporation compares with other Local Authorities in Greater London. In many cases it proved difficult to obtain the relevant information from other London boroughs' webpages, however for those that did publish their payment performance as required, it was clear that with an average of 80% in 2017/18 (see Appendix 2) they were failing to meet the high standards set by the City Corporation.
5. It is not a requirement to publish 10-day payment performance and so we could not see how other Local Authorities are performing in comparison to the City Corporation in this respect. Indeed, it could not be determined whether other London boroughs were even aiming to pay SME invoices earlier than the standard 30 days. However, we could see that the 30-day payment performance of some Local Authorities could not match our 10-day payment performance. For example, in 2016/17 the City Corporation achieved 85% for 10-day invoice payments, compared to Southwark Council's 64% and Lewisham Council's 67% for 30-day invoice payments.

## **Conclusion**

6. With most of the action plan now completed, and the move from calendar days to working days for 10-day invoice payments, we have witnessed a significant improvement in the figures and having exceeded the 85% target in November, we fully expect to repeat this each month for the remainder of the current financial year. Compared to other Local Authorities within London, the City Corporation appears to be leading the way, not only in terms of paying SMEs within 10 days, but also with regard to paying all suppliers within 30 days. We will complete the remaining tasks on the action plan and provide a further update to February's Committee.

## **Report Authors**

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## Appendices

### Appendix 1

10 Days paid on time			
Department	Total No. of Invoices	No. of Invoices Paid Late	% of Invoices Paid on Time
DCCS - Libraries (CSL)	7	0	100%
Mansion House (MAN)	57	0	100%
Occupational Health (TCO)	1	0	100%
Remembrancer's (REM)	45	0	100%
Spitalfields Market (MSP)	92	0	100%
CoL School for Boys (CLS)	69	1	99%
Tower Bridge (TBR)	117	3	97%
Guildhall School (GSM)	368	11	97%
DCCS - Adult Services (CSA)	79	4	95%
Learning & Development (TCT)	16	1	94%
Barbican Centre (BBC)	729	48	93%
Sir John Cass School (CSJ)	60	4	93%
Billingsgate Market (MBG)	36	3	92%
Central Criminal Court (CCC)	12	1	92%
CoL School for Girls (CLG)	107	9	92%
DCCS - Families & Young People (CSF)	56	5	91%
CoL Freeman's School (CLF)	106	10	91%
Town Clerk's (TCK)	142	14	90%
Open Spaces (OSD)	231	23	90%
Economic Development (TCU)	37	4	89%
Chamberlain's (CHA)	55	6	89%
City Surveyor's (SVY)	311	36	88%
Comptroller & City Solicitor's (SOL)	31	4	87%
DCCS - Housing (CSH)	243	32	87%
Built Environment (ENV)	82	11	87%
London Central Markets (MCM)	28	4	86%
Markets & Consumer Protection (MKT)	72	11	85%
City Bridge Trust (TCB)	6	1	83%
DCCS - Barbican Estate (CSB)	116	20	83%
City of London Police (POL)	206	68	67%
<b>Total</b>	<b>3,517</b>	<b>334</b>	<b>91%</b>

## Appendix 2

	FY 2015/16	FY 2016/17	FY 2017/18
<i>City of London - 30 Days</i>	96%	97%	95%
<i>City of London - 10 Days</i>	87%	85%	76%
<b>Published data for other London Local Authorities - 30 Days:</b>			
Hillingdon Council	Unavailable	93%	94%
Haringey Council	Unavailable	89%	90%
Croydon Council	85%	88%	87%
Lewisham Council	Unavailable	67%	81%
Southwark Council	66%	64%	65%
London Borough of Hounslow	Unavailable	Unavailable	63%
London Borough of Newham	Unavailable	82%	Unavailable
Royal Borough of Greenwich	91%	92%	Unavailable

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<b>Committee:</b>	<b>Date:</b>
Procurement Sub-Committee	16 January 2019
<b>Subject:</b> Update on Implementation to enhancements to Living Wage Policy – Supplier contracts	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report Author</b> Chris Bell, Commercial Director, Chamberlain's	

## Summary

In October 2018 Members of Policy and Resources Committee approved a range of enhancements to the existing Living Wage Policy. These enhancements included specific items that impact current and new suppliers:

- Mandating payment of the Living Wage to all contracted supplier staff delivering two hours or more work for the City Corporation.
- Changing our existing policy to mandate the payments of Living Wage to affected staff to the date of the announcement each year from 2019/2020 onwards for both our own staff and suppliers' staff to be effective the first month after the annual announcement (that is, from December 2019).

The impact of these agreed enhanced policy changes has meant revisions were needed to the City Corporation's procurement processes; the existing Living Wage policy; the standard procurement documents; the standard terms & conditions; as well as contract management procedures.

This report updates Members on the activities undertaken to implement these changes.

## **Recommendations**

Members of **Procurement Sub** Committee are asked to:

- Note the report.

## Main Report

### **Background**

1. The City Corporation has been committed to the principle of Living Wage since 2012 and has been an accredited Living Wage employer since 2014. From April 2016 we have been fully compliant with the Living Wage Foundation's accreditation license for direct staff, temporary workers, contractors and sub-contractor's staff.

2. We have an established and strong working relationship with the Living Wage Foundation as an early adopter of the standard and this has been illustrated by the Living Wage Awards being held at Guildhall earlier this year and the Barbican Centre being the location for the live announcement of the new rate in November 2018.
3. In October 2018 Members of the Policy and Resources Committee explored whether steps could be taken to enhance our commitment to Living Wage further and agreed to:
  - Mandate the payment of the Living Wage to all contracted staff delivering two hours or more work for the City Corporation.
  - Commence discussions with the Living Wage Foundation on the City Corporation being an early adopter of their 'in-development' enhanced accreditation standard.
  - Change to our existing policy and mandate the back dating of the payments of Living Wage to affected staff to the date of the announcement each year from Financial year 2019/2020 onwards for both our own staff and suppliers' staff with £400k additional costs per annum (£250k suppliers, £150k direct staff) to be effective the first month after the annual announcement.
  - Receive an annual committee report on the impact, progress and outcomes achieved by this enhanced policy.
4. Due to this decision in October, a Living Wage Working Group was set up immediately, led by the Commercial Director with representatives from City Procurement's Policy and Compliance team; Procurement Operations; Commercial Contract Management; Sourcing and Category Management and Comptrollers & City Solicitors. The working group reviewed current processes and documentation and created an action plan relating to communications; procurement processes; policy and training. As a result, City Procurement and Comptroller & City Solicitor's (C&CS) have undertaken the following activities to implement the required changes:
  - The City Corporation's Procurement Code (Parts 1 and 2) have been updated to reflect the new Living Wage Policy.
  - The City Corporation's internal Living Wage Policy has been updated.
  - City Corporation's external Living Wage policy statement has been updated and re published on the website.
  - Contract Management guidance and training materials have been developed for role out to the organisation in January 2019.
  - New Living Wage standard terms and conditions have been developed individually for goods, services and works contracts to bring Living Wage to the forefront for suppliers when bidding for the City Corporation's contracts.

- Living Wage has been incorporated into the standard procurement Request for Quote (RFQ) process and as a result Living Wage provisions are now part of the RFQ standard documents used for purchases valued over £10,000 to £100,000 for services and purchases valued over £10,000 to £400,000 for works.
- Standard procurement documents for purchasing above £100,000 or services or above £400,000 for works which contained existing Living Wage provisions have been updated with the enhanced living wage requirements.
- Procurement Awareness training for officers with purchasing responsibilities has been updated and is currently being rolled out across the City Corporation.
- Communications have been carried out internally at Category Boards and separately to the DCCS commissioning team with external partners via our Social Value Panel. With further communications planned across the organisation using various channels in January 2019.

### **Corporate and Strategic Implications**

7. The enhancements undertaken to the City Corporation's Living Wage Policy are aligned to the Corporate Plan theme of Supporting a Thriving Community. They deliver against the targeted outcome of '*Businesses are trusted and socially and environmentally responsible*'. Living Wage is a component part of the Corporation's Responsible Procurement Strategy and is consistent with the aims of the emerging Responsible Business Strategy.

### **Conclusion**

8. The City Corporation has been committed as an accredited Living Wage employer since 2014. This report outlines the activities undertaken to date to implement the changes agreed by Members of the Policy and Resources Committee in October 2018 to enhance our existing Living Wage commitment.

### **Background Papers**

- *Living Wage Accreditation – Potential Enhancements – Policy and Resources Committees, 4 October 2018*

### **Report Author**

Christopher Bell, Commercial Director, Chamberlain's

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<b>Meeting</b> <b>Police Committee</b>  Procurement Sub-Committee Port Health and Environmental Services Committee Establishment Committee Community and Children’s Services Committee Policy & Resources Committee	<b>Date</b> <b>5 December 2018</b>  16 January 2019 27 November 2018 29 October 2018 2 November 2018 15 November 2018
<b>Subject</b> City Corporation Modern Slavery Statement	<b>Public</b>
<b>Report of</b> The Chamberlain	
<b>Report Author</b> Natalie Evans, Responsible Procurement Manager, City Procurement	<b>For Information</b>

### Summary

1. This Report accompanies the proposed City of London Corporation ‘Modern Slavery Statement’ developed in response to the Modern Slavery Act 2015. It is proposed that the City Corporation complies with the annual reporting requirements associated with the Modern Slavery Act, on a voluntary basis, in the interest of due diligence and transparency, and to appropriately reflect the organisation’s strong commitment to responsible business principles.
2. The City of London Police has a responsibility to help identify and eliminate modern slavery through its law enforcement remit and the City Corporation through its business activities, ensuring effective due diligence procedures are in place to safeguard against modern slavery taking place within our organisation, our jurisdiction and our supply chain.
3. The Corporation also plays a philanthropic role by funding activities designed to support refugees and asylum seekers who have experienced human trafficking, disrupt global human trafficking and combat its practice in the UK.
4. This Modern Slavery Statement brings together the roles, remits, commitments and all work undertaken by the City of London Police, Department for Children and Community Services, Community Safety, Port Health & Public Protection, HR, City Procurement, the Barbican, City Bridge Trust and Heart of the City, also detailing future plans for continuous improvement.

### Recommendations

That Police Committee:

- Approves the publication of a voluntary Modern Slavery Statement by the City Corporation

- Approves the version submitted, including the ‘Modern Slavery Policy’.
- Notes and specifically approves the ‘continuous improvement’ sections detailed throughout, which will form the basis of the action plan used to drive progress amongst all relevant departments over the next year.

## **Main Report**

### **Background**

5. The Modern Slavery Act 2015 was enacted in response to prioritisation of this issue by the UK Government. It requires commercial entities that operate in the UK, with a turnover of more than £36m, to produce an annual Modern Slavery Statement detailing current and planned actions to tackle this crime.
6. The City Corporation is not a relevant commercial organisation as defined by section 54 of the Act. However, it is recommended that the City Corporation comply with its annual reporting requirements on a voluntary basis in the interest of due diligence and transparency, and to appropriately reflect the organisation’s strong commitment to responsible business principles. It should also be taken into account that many other public authorities, including numerous London boroughs have already published their own Statement.
7. Representatives from the City of London Police, the Barbican, City Procurement, Children and Community Services, Community Safety and Corporate Strategy and Performance came together in early 2018 to establish the City Corporation’s inter-departmental Working Group on Modern Slavery.
8. The first priority of the Working Group was to bring together all current action taking place to tackle modern slavery, to harmonise approaches and ensure that resources and lessons learned are shared across the Corporation. The proposed Modern Slavery Statement was developed based on this work.
9. Earlier this year, the City Corporation made a pledge, signed by the Chairman of Policy & Resources Committee, to tackle modern slavery as part of the Evening Standard’s anti-slavery campaign. This Statement would represent a transparent way of demonstrating the organisation’s commitment to this pledge.
10. The Modern Slavery (Transparency in Supply Chains) Bill 2017-2019 is currently progressing through the House of Lords. Amongst other amendments, this Bill proposes to extend the scope of the existing Act to public sector authorities. The voluntary publication of this Modern Slavery Statement could therefore also be viewed as a way of future proofing the City Corporation’s approach.

## Methodology

11. The Statement is divided into five sections, structured to reflect our actions according to the City Corporation's responsibilities and the level of control or influence the organisation is able to exert:

- **Our Organisation** – Overarching commitments and organisational approach
- **Our People** – The Corporation's employees.
- **Our Jurisdiction** – People living, working in and visiting the Square Mile.
- **Our Wider Community** – Charitable organisations and business community.
- **Our Supply Chains** – Domestic and global supply chains.

12. Each section is separated into four parts, according to the requirements of a Modern Slavery Statement under s.54 of the Modern Slavery Act.

- **Remits and relevant risks** – Within the remit of each department; identifying the people, places, trades and industries at the highest risk.
- **Policies and commitments** – Overarching and department-specific policies and commitments to tackling modern slavery and other labour rights abuses.
- **Existing interventions** – Actions already being undertaken to identify and deal with modern slavery and to minimise the risk of it occurring.
- **Continuous improvement** – Assessing the effectiveness of our current interventions, creating plans to bridge identified gaps, developing appropriate performance indicators, monitoring and reporting on progress.

All actions described within the 'continuous improvement' sections will be combined to form an action plan, which will be overseen by the Responsible Business Implementation Group, coordinated by the Inter-departmental Working Group on Modern Slavery and undertaken by relevant City Corporation Officers.

## Corporate and Strategic Implications

13. The following aims and outcomes within the Corporate Plan underpin the City Corporation's commitment to combatting human and labour rights abuses:

### ***Contribute to a flourishing society:***

- People are safe and feel safe
- People enjoy good health and wellbeing
- People have equal opportunities to enrich their lives and reach their full potential

### ***Support a thriving economy:***

- Businesses are trusted and socially and environmentally responsible

14. The Responsible Business Strategy 2018-23: sets out the City Corporation's stance on advocating for human rights in its decision-making processes so that

people are treated appropriately and with dignity. It also details its commitment to actively preventing fraud, corruption and bribery in its own operations and influencing supply chains and partners to do the same.

15. The Responsible Procurement Strategy 2015-18 aims to deliver best value in a way that improves the lives of those in its supply chain and helps the City Corporation make procurement decisions that act as a catalyst for positive change. It details the City Corporation's commitment to tackling human and labour rights violations, including modern slavery.

## **Conclusion**

16. The publication of a Modern Slavery Statement would constitute a clear and transparent demonstration of the City Corporation's commitment to tackling modern slavery, both internally and externally. It brings current and future actions into one place allowing all departments and other relevant entities an oversight and a point of reference to ensure effective collaboration.

17. The length of the Statement reflects the requirements set under s.54 of the Act and moreover the comprehensive amount of work already being undertaken.

## **Appendices**

Appendix 1 - City of London Corporation Modern Slavery Statement

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## **City of London Corporation Modern Slavery Statement**

1. This Modern Slavery Statement, covering November 2018 – June 2019, is made in response to s.54 of the Modern Slavery Act 2015 (“the Act”). It sets out the steps that the City of London Corporation (“City Corporation”) has taken and is continuing to take to ensure that modern slavery is not taking place within our business, within the Square Mile or within our supply chains.
2. For the purposes of this Statement and associated Policy, the term ‘Modern Slavery’ encompasses slavery, servitude, human trafficking, forced or compulsory labour and child labour.
3. The City Corporation is not a relevant commercial organisation as defined by section 54 of the Act. However, it will comply with its annual reporting requirements on a voluntary basis in the interest of due diligence and transparency, and to appropriately reflect the City Corporation’s strong commitment to responsible business principles.
4. This Modern Slavery Statement is divided into five sections:
  - i. **Our Organisation** – The City Corporation’s approach to tackling modern slavery. This overarching commitment is supported at the highest level and inter-departmental collaboration is used to ensure a harmonised and effective approach.
  - ii. **Our People** – Helping to protect our own employees, based at any City Corporation location, from becoming victims of modern slavery through fair recruitment practise, pay and conditions, and having support mechanisms in place such as access to whistleblowing and an employee assistance programme.
  - iii. **Our Jurisdiction** - Creating conditions that minimise the risk of modern slavery occurring within the Square Mile, identifying modern slavery that does occur within our geographical jurisdiction, referring any victims on to the help and support they need and ensuring any perpetrators of this crime are brought to justice.
  - iv. **Our Wider Community** – Using our influence to facilitate positive action on modern slavery amongst charitable organisations and our wider business community.

- v. **Our Supply Chains** – Using responsible procurement and contract management due diligence procedures to minimise risks of modern slavery taking place within our domestic and global supply chains.
5. Within each of these five sections, the following aspects are described, as per the requirements of a modern slavery statement under s.54 of the Act:
- a. **Remits and relevant risks** – Within the remit of each department; identifying the people, places, trades and industries at highest risk of being associated with modern slavery
  - b. **Policies and commitments** – Overarching and department-specific policies and commitments to tackling modern slavery and associated human and labour rights abuses
  - c. **Existing interventions** – Actions already being undertaken to identify and deal with modern slavery and to minimise the risk of it occurring. This includes training & awareness programmes and due diligence procedures such as referrals, site visits & spot checks, contractual provisions and contract monitoring & management.
  - d. **Continuous improvement** – Assessing the effectiveness of our current interventions, creating plans to bridge identified gaps, developing appropriate performance indicators, monitoring and reporting on progress.

## i. Our organisation

### a. Remit and relevant risks

6. The Square Mile is the historic centre of London and is home to the 'City' – financial and commercial heart of the UK. The City Corporation provides local government services for the Square Mile and supports and promotes the City as the world leader in international finance and business services. The organisation's responsibilities extend far beyond the City boundaries in that it also provides a host of additional facilities for the benefit of the nation, including air and sea ports, the Barbican and various open spaces.
7. City Bridge Trust is the funding arm of Bridge House Estates, of which the City Corporation is the sole trustee. It was established to make use of funds surplus to bridge requirements and provides grants totalling around £20m per year towards

charitable activity benefitting Greater London. Heart of the City is a business-led charity, limited by guarantee and housed the City Corporation, which is its main funder and Treasurer.

8. The City of London Police is the territorial police force responsible for law enforcement within the City of London, with other specific remits nationally. The City of London Police is divided into four directorates: Crime Investigation, covering serious & organised crime, terrorism, acquisitive criminality and violent crime; Economic Crime, which looks at fraud; Intelligence and Information, responsible for coordination of intelligence and information management; and Uniform Policing, providing policing response and specialist skills and support both internally and to other police forces.
9. From an organisational perspective, it is recognised that modern slavery is a crime that is prevalent both within and outside of the UK, across many industries and as such it is a risk that the City Corporation takes seriously. However, rather than this risk being looked at in isolation, modern slavery is managed alongside a range of other risks that must be dealt with as part of our business activities e.g. implementing responsible procurement, tackling serious and organised crime, safeguarding of children and vulnerable adults, health and safety in construction etc.

**b. Policies and commitments:**

10. The recently published Corporate Plan (2018-2023) sets out the priorities of the City Corporation as the governing body of the Square Mile, dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK. The following aims and outcomes within the Plan underpin the City Corporation's commitment to combatting human and labour rights abuses such as modern slavery:

**10.1 *Contribute to a flourishing society:***

- People are safe and feel safe
- People enjoy good health and wellbeing
- People have equal opportunities to enrich their lives and reach their full potential

**10.2 *Support a thriving economy:***

- Businesses are trusted and socially and environmentally responsible

11. The Responsible Business Strategy 2018-23: 'Towards a Sustainable Future' describes in more detail how the City Corporation intends to achieve the above aims and outcomes. This Strategy sets out the organisation's objective of creating positive

impact and reducing negative impact across all its activities and decisions. More specifically, the Strategy states the City Corporation's stance on advocating for human rights in its decision-making processes so that people are treated appropriately and with dignity. The Strategy also details its commitment to actively preventing fraud, corruption and bribery in its own operations and influencing supply chains and partners to do the same.

12. The following is the City Corporation's stand-alone Policy on modern slavery:

#### **Overarching City of London Corporation Modern Slavery Policy**

The City Corporation recognises its responsibility to help identify and eliminate modern slavery through its business activities. The organisation will ensure that effective due diligence procedures are in place to safeguard against any form of modern slavery taking place within our business, our jurisdiction or our supply chain. These procedures will be reviewed and continuously improved upon over time.

#### **c. Existing interventions**

13. Representatives from the City of London Police, the Barbican, City Procurement, Department for Community and Children's Services, Community Safety and Corporate Strategy and Performance Team came together in early 2018 to establish the City Corporation's inter-departmental Working Group on modern slavery.

14. The first priority of the Working Group was to bring together all current action taking place to tackle modern slavery by the City Corporation, to harmonise our approach and ensure that resources and lessons learned are shared across the City Corporation. This current Modern Slavery Statement was developed based on this work.

#### **d. Continuous improvement**

15. The Working Group plans to invite representatives from other relevant departments to contribute their ideas going forward, including HR and Licensing. A network of 'Safeguarding Champions' is to be re-launched in the coming months, acting as departmental points of contact and channels for dissemination of key messages to and from the Working Group.

- 16. The next priority of the Working Group going forward is to identify any gaps or weaknesses and plan future interventions and areas for potential collaboration that could be used to continuously improve our approach. The principal areas identified so far are an increased number of internal and external training and awareness raising initiatives.
- 17. Specific continuous improvement plans are discussed more fully as part of the following sections covering Our People, Our Community and Our Supply Chain.

**ii. Our People**

**a. Remit and relevant risks**

- 18. This section covers the City Corporation’s work helping to protect our own employees from becoming victims of modern slavery. These City Corporation-wide efforts are led by our Human Resources Department.

**b. Policies and commitments**

- 19. Alongside the City Corporation’s Modern Slavery Policy outlined in Section 1.b, the City Corporation has a series of policies, codes of conduct and adopted principles that set out how the organisation makes sure that people are working legally, that everyone is treated fairly and with dignity, and that people conduct themselves appropriately.
- 20. **Recruitment Policy:** The City Corporation operates a robust recruitment policy, including conducting ‘right to work in the UK’ checks for all employees. All offers of employment are conditional on these checks being completed to the organisation’s satisfaction. Where an individual is working in the UK on a visa or work permit of a fixed term, the City Corporation requires the individual to provide proof of their continuing right to live and work in the UK before continuing their employment.
- 21. These processes are managed and overseen by our HR department and guidance is provided to all recruiting managers to ensure these checks are carried out effectively. They represent an initial measure of safeguarding against the City Corporation employing any individual that has been illegally trafficked and/ or is being forced to work against their will.
- 22. **Whistleblowing Policy:** [The City Corporation’s Whistleblowing Policy](#) applies to all staff. It details the channels through which employees should raise serious concerns,

providing assurance that there should be no fear of reprisals. Concerns regarding potential instances of modern slavery can be raised in this way alongside other forms of abuse and coercion staff may be experiencing or suspicious of. Staff are made aware of this Policy through various channels including during induction training and the staff intranet.

23. **Codes of Conduct:** Our continued success relies on the trust and confidence of the public and therefore all staff and elected representatives are expected to uphold the highest standards of personal conduct and integrity including a requirement for all staff to uphold the [Nolan Principles on standards in public life](#).
24. There are 100 Common Councilmen and 25 Aldermen serving as elected representatives, collectively referred to as 'Members'. Members represent public interest and inform how the City Corporation should carry out its various activities. Members adhere to the City Corporation's [Code of Conduct for Members](#).
25. Similarly, City Corporation employees must adhere to the [City of London's Employee Code of Conduct](#). This incorporates requirements to abide by City of London anti-corruption measures and that all employees are treated with fairness and equality.
26. The Code also sets out the expectation that employees, and other stakeholders including suppliers, who have serious concerns about the conduct of any aspect of the City Corporation's work to come forward and voice those concerns. It commits the organisation to treating any suspicion of wrongdoing seriously, with concerns reviewed and analysed in accordance with the Whistleblowing or Complaints Policy, considering the Public Interest Disclosure Act, the Human Rights Act and if appropriate the City Corporation's Anti-Fraud and Corruption Strategy.

### **c. Existing interventions**

27. **Policy implementation:** The City Corporation strives to be an excellent employer with a modern suite of employment policies and procedures. Corporate HR ensures the effective management of policies, this includes routine reviews to be in compliance with legal and mandatory requirements, alignment to best practice, monitoring and enforcement oversight.
28. It is the responsibility of all managers across the organisation to put written policies and procedures into practice. Under the 'Managing People Policy', managers are primarily responsible for ensuring their consistent application so that all employees

are managed in a fair and consistent manner. It is also important for Managers to support employees in understanding and interpreting policies correctly.

29. Corporate HR ensures the ready accessibility of its HR policies and procedures through the Employee Handbook, HR Topics pages, Managers' Guide and a New Starters' Resource page; all of which are located on the intranet. In addition, the provision of a suite of training workshops/briefings, e-learning, team meetings and staff/manager news items are just some of the means of cascading either changes or new policies and procedures.
30. The City Corporation has an Employee Assistance Programme, which operates 24/7 for 365 days of the year, to provide staff and their partner or a family member confidential support on a wide range of work and personal issues which may include cases of modern slavery.
31. **Training:** The City Corporation has made an e-learning course available to all staff and Members. This hour-long online modern slavery training aims to raise awareness of the issue and help staff recognise their role in identifying and reporting concerns.
32. **Living Wage:** The City Corporation is proud to be an accredited Living Wage employer. This commits us to paying at least the Living Wage to all staff, contractors and sub-contractors according to the parameters set by the Living Wage Foundation. The City Corporation also goes one step further by paying the Living Wage to all apprentices and interns.

#### **d. Continuous improvement**

33. The City Corporation has on-going commitment to train all managers as part of the organisation's Health and Wellbeing Strategy. The strategy has also included the roll out of Mental Health First Aiders within the departments. These roles are well placed as the potential first point of contact for employees who are experiencing any mental health issues or emotional distress, to identify potential signs of Modern Day Slavery.
34. The City Corporation is currently reviewing methods of monitoring payment of the Living Wage, along with the scope of the policy application. Any changes will be reported on as part of the next City Corporation modern slavery statement published in July 2019.
35. Coinciding with the publication of this Modern Slavery Statement, Chief Officers will encourage all staff to take a high-level version of the online modern slavery training.

The number of staff that have undertaken this training will be used as a performance indicator of information dissemination going forward.

### **iii. Our Jurisdiction**

#### **a. Remit and relevant risks**

36. This section covers the protection of the community of the Square Mile from modern slavery. It is the City Corporation's responsibility to create conditions that minimise the risk of modern slavery occurring, monitor the highest risk trades and industries to identify any instances of modern slavery that do occur within our geographical jurisdiction. Any cases on modern slavery identified in the City would need to be referred to the City of London Police and the City of London's Single Point of Contact (SPOC), the Safeguarding and Quality Assurance Service Manager. Support would be offered to victims of modern day slavery through the Adult Social Care Team or Children's Social Care team. These services would then make a referral through to the National Referral Mechanism to support the victims of modern slavery and ensure any perpetrators of this crime are brought to justice. These interventions involve the Safer City Partnership (SCP), Community Safety team, Markets and Consumer Protection Department's Licensing team, the Department for Community and Children's Services Safeguarding and Quality Assurance team and the City of London Police.
37. The SCP brings together statutory and non-statutory representatives who aim to contribute towards keeping the City safe. Statutory partners include the City Corporation, City of London Police, London Fire Brigade, London Probation trust and the NHS Clinical Commissioning Group.
38. There is no typical victim of slavery. Victims are men, women and children of all ages, ethnicities and nationalities and cut across the population. However, it's normally more prevalent among the most vulnerable or within minority or socially excluded groups. Potential victims of human trafficking were reported from 116 different nationalities in 2017 according to the National Crime Agency's National Referral Mechanism statistics. Albanian, UK and Vietnamese nationals were the most commonly reported potential victims. 5,145 potential victims were submitted to the National Referral Mechanism in 2017, which was a 35% increase on 2016. In 2017, the National Referral Mechanism received 4714 referrals in England of which 2,464 potential victims of modern slavery cases were men, while 2247 were women, 2753 were adults and 1961 were children. The biggest increase in type of exploitation for adults is sexual



exploitation and children is labour exploitation. Other vulnerable groups include, but are not limited to, people who are/ have been involved in illegal activities, those who do not have a right to remain in the UK, children who are fleeing their home countries and seek out refuge in the Square Mile.

39. People at the highest risk of being victims of modern slavery in the Square Mile include sex workers, street traders, people employed in the hospitality industry i.e. hotels and restaurants, cleaners, construction workers and those providing domestic and care services or personal health and beauty services.

40. The City of London Corporation has responsibilities for over 40 sites outside the Square Mile including air and sea ports, open spaces, schools, housing estates, markets and cultural attractions. In terms of the sections of this modern slavery statement that cover our responsibilities in these areas:

40.1 In terms of people within our workforce, the interventions described in 'Section ii: Our People' applies, no matter the location of the site

40.2 In terms of suppliers or contractors, the interventions described in 'Section v: Our Supply Chains' applies, no matter the location of the site or department

41. In terms of any other person, who is not an employee or supplier to the City Corporation, being identified to be at risk of, or of currently being a victim of modern slavery on one of our sites outside the Square Mile, or being identified by someone affiliated with one of these satellite sites, the relevant police force, and Border Force in the case of ports, should be informed as they would have jurisdiction in this geographical area and would deal with the matter as part of their own policing strategy and through the National Referral Mechanism.

**b. Policies and commitments:**

42. The Department for Community and Children's Service's has identified a representative who will be acting as the single point of contact (SPOC) for modern day slavery for the City Corporation. This role is currently being held by the Safeguarding and Quality Assurance Service Manager, who supports referrals through to the National Referral Mechanism.

43. The Community Safety Team's commitment is to help keep all those who live, work or visit the Square Mile safe. The Team works closely with our communities to

understand their concerns and priorities and provide advice to help prevent people becoming a victim of crime and to promote awareness of how to report problems.

44. The City of London Police's Action Plan on Modern Slavery and Human Trafficking uses a four-pronged approach based on protection, preparation, prevention and pursuit. The actions are described in part c) below.

### c. Existing interventions

45. **City of London Police:** Specific roles and responsibilities are delegated within the Force around training and intelligence and to deal with the victim(s), the suspect or organised crime groups and the subsequent investigation. The City of London Police's response to modern slavery is coordinated through the Force Lead, the Chief Inspector of Uniformed Policing – Custody and Response. The current Action Plan on Modern Slavery and Human Trafficking uses a '4 P's' approach:

45.1 **Protect:** This action includes close working with public bodies and private industry to identify vulnerabilities and improve the Force's target hardening capability in response. Intelligence and information sharing is essential to this work, enabling all parties to identify the threat and protect the economy and our communities:

- Promote awareness of the signs of modern slavery;
- Develop victim centric processes; and
- Collaborate with stakeholders and partners to identify early intervention opportunities.

The City of London Police form an essential part of the City Corporation's Working Group on Modern Slavery.

45.2 **Prepare:** This work includes developing positive relationships with law enforcement agencies and wider community, including the public, private and third sectors. The aim is to engage strategically and tactically to build specialist knowledge, enhance the Force's capability and effectiveness and to cut crime and protect the public:

- Intelligence picture to be regularly updated;
- Roll out training to frontline officers to educate and promote awareness in recognising victims at the earliest opportunity;
- Establish best practice regarding investigation of modern slavery offences; and
- Educate and inform City of London Police staff and partners/stakeholders.

As an example of recent work carried out as part of this action, train-the-trainer training was rolled out in Summer 2018 to City of London Police officers in order to facilitate knowledge as widely as possible on recognising the signs of modern slavery whether as part of the role of front office staff, a PC on patrol or a Detective executing a search warrant.

**45.3 Prevent:** This action encompasses the design and management of campaigns with partners to highlight the impact of the organised crime gang. These initiatives should deter individuals from committing organised crime and encourage people to report it. Creating a hostile operating environment for organised crime groups is essential.

- Conduct visits to perceived vulnerable premises;
- Promote convictions in media;
- Conduct prison visits;
- Promote use of orders for Slavery and Trafficking Prevention Orders.

The City of London (CoL) Police take an active role in identifying victims of modern slavery and human trafficking within the Square Mile and within high risk industries, for example by speaking to sex workers in brothels in collaboration working with partner charities and also by visiting construction sites and providing inputs within the community to other areas considered to be more susceptible to this crime type such as within the hospitality trade.

**45.4 Pursue:** This includes arrests, seizures and criminal prosecutions. Work takes place alongside public, private and third sector professionals to disrupt organised criminals, their associates, business endeavours and way of life.

- Identify offenders involved in modern slavery and bring to justice;
- Disruption of organised crime groups continuing to offend;
- Establish strong and effective collaborations to tackle modern slavery.

**46. Department for Community and Children's Services (DCCS):** has a responsibility to safeguard children and adults in the City of London, this responsibility is in conjunction with other agencies, as set out in the 'Working Together to Safeguard Children' guide to inter-agency working to safeguard and promote the welfare of children, published in July 2018. Further guidance is also available within the Pan London Safeguarding procedures for adults and children. The Joint City and Hackney Safeguarding Board for Adults and the corresponding Board for Children has oversight on the training and development of strategies on modern slavery, as does the Safer Community Partnership.

47. **Serious and Organised Crime (SAOC) Board:** The Board works to improve the collection, collation and analysis of data on modern slavery, including sexual and labour exploitation in order to understand and help mitigate the threat of these crimes.
48. **Public Protection and Environmental Health:** The City Corporation's Markets and Consumer Protection Department, amongst other remits, is responsible for regulating most of the premises within the Square Mile. As part of the Department's everyday duties they conduct inspections e.g. to ensure health & safety or food safety, at sites that may pose a risk of being associated with modern slavery including massaging and special treatment premises, construction sites, hotels, restaurants and street trading stalls. The team forms part of the Safer City Partnership and Serious and Organised Crime Board and responds to requests from HM Revenue & Customs and Police requests to look out for certain activities they are suspicious of.

#### **d. Continuous improvement**

49. **The City of London Police:** The comprehensive interventions that form part of the Action Plan on Modern Slavery and Human Trafficking detailed in part c) above will continue to be rolled out over the coming year. The effectiveness of these measures will be monitored alongside other policing objectives as part of the Force's overall approach.
50. **The Department of Community and Children's Services:** It is currently working with safeguarding partners, formally known as the Local Safeguarding Board for both Children and Adults on the development of a 'Joint Strategy for Modern Day Slavery'. The City of London has been tasked by the Board to develop a Strategy on Modern Slavery that focuses on the demography and needs of the City. There will be a focus on raising awareness around modern slavery across the City Corporation, including through training. Resources and ideas from both organisations will be pooled and lessons learned from similar local authority initiatives will be drawn on to create a meaningful and effective joint approach.
51. **Serious and Organised Crime (SAOC) Board:** The SAOC Board has identified modern slavery as a high priority threat that can have devastating impacts. It provides an advisory function and reports into the Safer City's Partnership. The SAOC will continue to find effective ways of raising awareness about modern slavery and working in partnership with agencies that intercept and dismantle organised crime groups, preventing them from profiting from modern slavery and human trafficking. Improved procedures to share intelligence on organised crime groups will be

developed with the eventual aim of preventing recruitment of vulnerable people into modern slavery.

52. **Community Safety:** Events aimed at raising awareness of modern slavery amongst City Corporation staff and City businesses will take place over the next year. These will be focused on helping delegates to recognise potential signs of modern slavery and to know what to do in such circumstances.

#### iv. **Our Wider Community**

##### a. **Remit and relevant risks**

53. This section covers the City Corporation's wider influence within surrounding boroughs, Greater London, the UK and further afield.
54. **City Bridge Trust:** The City Corporation plays a philanthropic role through the City Bridge Trust, which provides £20m per annum in grant funding across Greater London. The Trust supports work which reduces inequality and grows more cohesive communities for a London that serves everyone. The Trust aims for London to be a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation.
55. **Heart of the City:** runs the UK's only responsible business programme specifically designed to include SME's. This two-year Foundation programme equips and coaches business leaders to run successful companies that make a positive difference to people, places and the planet. Focusing on the practical, its events, online resources/templates and network are designed to support those companies new to responsible business with complex issues, such as tackling modern slavery. Heart of the City's network of contributor companies has responsible business expertise and resource in-house and they provide foundation members with support, mentoring and guidance. Funding from the City of London Corporation, City Bridge Trust and the City of Westminster Council has made places available for year one of the programme, enabling businesses to get involved without a designated responsible business budget.
56. Members of the network are businesses across a broad spectrum of industries, operating across London. The main risks of modern slavery within financial and other professional service industries are within their wider supply chain.

57. **The City of London Fairtrade Steering Committee** is administered by the charity JustShare on behalf of the City of London Corporation. Chaired by the Lord Mayor's Chaplain and attended by City Corporation Elected Members and relevant staff, the Recorder of London, Cheapside Business Alliance and various livery company representatives; it leads action on promoting fair trade within the Square Mile.

**b. Policies and commitments:**

58. Following a review of its charitable funding, the City Bridge Trust launched its new grant programme, 'Bridging Divides'. This programme has the following funding priorities: a) Connecting the Capital, b) Positive Transitions, and c) Advice & Support. These will help the Trust to achieve its vision for London to be a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation.

59. The City Corporation believes that the concept of fair trade is central to sustainable development and aims to be recognised by its stakeholders and partners as an organisation that actively supports and promotes the concept of Fairtrade and fairly traded products. In support of this commitment, the City Corporation signed its Fairtrade Resolution in 2007.

**c. Existing interventions**

60. **City Bridge Trust:** The Trust is currently inviting applications from specialist support services that will enable positive transitions in relation to children and young people, migrants and refugees, disabled people, ex-offenders and survivors of domestic and sexual abuse; modern day slavery; trafficking; and hate crime.

61. The Trust currently funds the 'Helen Bamber Foundation', which supports refugees and asylum seekers who have experienced human trafficking, 'Stop the Traffik', which aims to systemically disrupt global human trafficking and modern slavery networks by building resilient communities and the 'Human Trafficking Foundation', which was established to support and add value to the work of the many charities and agencies operating to combat human trafficking in the UK.

62. **Heart of the City** supports businesses to create and implement a responsible business strategy, focusing on increasing activities across four key areas – community, environment, workplace and marketplace. To date over 750 businesses (600 of which are SMEs) have completed the charity's Foundation programme. Each member is supported by an account manager and online resources including modules,

templates and tip sheets on ethical sourcing within procurement and tackling issues of modern day slavery.

63. **The Fairtrade Steering Committee** organises a number of events to promote fair trade and ethical sourcing more generally. In November 2017, it ran an event aimed at raising a broader awareness of modern slavery, which featured speakers from the City Corporation's Procurement team and the Cambridge Centre of Applied Research in Human Trafficking, alongside Baroness Young of Hornsey, sponsor of the Modern Slavery (Transparency in Supply Chains) Bill 2017-2019.

#### **d. Continuous improvement**

64. The Bridging Divides grant programme will see around £100m distributed over the next five years to tackle inequality across the Capital and will continue to fund organisations that help to tackle modern slavery in the UK and support its victims.

65. Heart of the City provides online resources for its members regarding responsible procurement as well as a guide to the Modern Slavery Act. Should a Foundation Programme member have specific questions, Heart of the City can connect them to a volunteer from a Contributor company (often larger firms). These experienced responsible business professionals should be able to assist or signpost elsewhere.

### **v. Our Supply Chains**

#### **a. Remit and relevant risks**

66. City Procurement is the City Corporation's centralised procurement team who deal with the majority of contracts worth £10,000 or more. Exceptions to this include agreements between the Barbican and its artists and services commissioned by the Department for Community and Children's Services. Interventions described in this section relate to those contracts for supplies, services and works over the £10,000 threshold. Staff undertaking procurement exercises below this value on behalf of the Corporation will be encouraged to undertake online training to ensure they consider the risks of modern slavery as part of their due diligence processes.

67. City Procurement take the lead on tackling modern slavery within our supply chains, but work in conjunction with stakeholder departments with the greatest risk of procuring goods, services or works associated with this crime.

68. The highest risks of people falling victim to modern slavery in our UK-based supply chain include construction workers, those undertaking service contracts in relatively low paid industries such as cleaning, catering, security, agriculture and the care industry. Although not necessarily defined in the same way, the City Corporation recognises that those industries can often operate as part of the gig economy
69. The highest risks of modern slavery further up our globalised supply chain, especially forced and child labour, are associated with the production and manufacture of electronic equipment, textiles, agricultural commodities and construction materials. Conflict minerals including gold, tin, tantalum and tungsten, found in computer equipment and vehicles are also of significant concern.

**b. Policies and commitments:**

70. The City Corporation's [2015-2018 Responsible Procurement Strategy](#) aims to deliver best value in a way that improves the lives of those in its supply chain and help the City Corporation make procurement decisions that act as a catalyst for positive change. It is based on three pillars; social value, environmental sustainability and ethical sourcing. The latter details the City Corporation's commitment to tackling human and labour rights violations, including but not limited to modern slavery.

**c. Existing interventions**

71. **Commercial Contract Management (CCM):** The CCM team's role is to embed best practice consistently across the City Corporation's contract management provision, including supplier performance monitoring. The team have developed a 'Performance Scorecard' to ensure that a standard and robust approach is taken to monitor, gather evidence and handle risks or failing performance. One of the ten elements covered by the Scorecard is ethical sourcing and in particular; supplier compliance with the Modern Slavery Act.
72. All relevant suppliers that wish to tender for City Corporation contracts must provide evidence that they have met the requirements of the Modern Slavery Act 2015 in order to be able to bid.
73. A series of interventions are currently being used to ensure compliance with human and labour rights legislation, including the Modern Slavery Act, according to the nature of the contract in question. The following are interventions currently taken amongst our highest risk categories of spend:



- a. **Communities and Children's Services:** Services for vulnerable young people, such as care leavers, and vulnerable adults are monitored regularly to ensure that safeguarding requirements are in place. New services are commissioned using the Corporation's minimum safeguarding standards. These are based on the set of minimum expectations developed by The City & Hackney Safeguarding Children Board (CHSCB) and provide clarity to both commissioners and contractors of services as to what must be considered when engaging external services. Due diligence procedures include Disclosure and Barring Service (DBS) checks, reviews of safeguarding policies, procedures and complaints. Providers ability to meet these standards are tested through the procurement process.
- b. **Textiles:** As part of the City Corporation's current police uniform contract led by the Metropolitan Police, contractors are required to meet a strict corporate responsibility code of conduct covering product, environmental and ethical standards. Specific requirements include annual third-party audits, declarations of manufacturing facilities and registration with a shared audit database.
- c. **Electronic equipment:** Over the last year, the City Corporation has introduced ethical sourcing requirements within the specifications of contracts involving electronic equipment including closed circuit television (CCTV) cameras and multi-functional devices (MFDs). Within 12 months, contractors are required to produce a supply chain map highlighting key risks including forced and child labour. Subsequently the contractors establish a strategy, in collaboration with the City Corporation, to mitigate these risks. Specific actions may include strengthened contractual requirements with their own supply chain, internal or third-party auditing and/or affiliations with organisations who specialise in supply chain transparency. As part of its social value offering, the City Corporation's IT managed service provider is currently undertaking a supply chain mapping exercise on IT hardware used to support the services delivered to the City Corporation.
- d. **Construction materials:** The City Corporation is now taking a more robust approach to mitigating the risks associated with construction materials used as part of works contracts e.g. bricks, steel, timber, natural stone products etc. As part of the recently established intermediate and major works frameworks, the City Corporation requires contractors to present their current due diligence procedures within a month of contract

commencement. Feedback is then provided on any further interventions the City Corporation considers necessary. Proposals for continuous improvement are then developed by the contractor and mutually agreed as part of an ongoing action plan, which is monitored quarterly as part of ongoing key performance indicators (KPIs).

74. The Barbican, of which the City Corporation is the founder and principal funder, publishes its own annual [Modern Slavery statement](#). As committed to in its 2017/18 statement, the Barbican has recently introduced a standard clause in all its future contract for services and suppliers that commits suppliers to comply with the Barbican/City Corporation's Policies on modern slavery and human trafficking, both in engaging the supplier's own staff or in relation to sub-contractors and agents.
75. Additional clauses also recently introduced require suppliers to ensure they fulfil the obligations set out City Corporation's Equal Opportunities Policy and ensure all staff and all other people engaged or managed by external suppliers and visiting companies are treated with dignity and respect.
76. The City Corporation helped establish and co-Chairs the London Responsible Procurement Network (LRPN), a group of public sector representatives who meet regularly to share best practice and develop harmonised approaches to achieving social value, environmental sustainability and ethical sourcing. This Group also feeds into the London Heads of Procurement Network, facilitated by London Councils. A series of meetings and workshops dedicated to modern slavery have already taken place with the aim of sharing effective interventions and learning lessons from one another on how to effectively tackle modern slavery within London's public sector supply chains.

#### **d. Continuous improvement**

77. Over the next year, a 'Supplier Code of Conduct' will be developed by City Procurement with the aim of detailing the City Corporation's expectations more clearly to our supply chain and facilitating a more rigorous approach to contract management.
78. Work planned for the coming year to improve our approach to implementing appropriate due diligence procedures within specific high-risk categories includes:
  - a. **Construction Sites:** Moving forward, City Surveyors, the Department of the Built Environment and others involved in managing construction works on behalf of the City Corporation will work with City Procurement, City of

London Police and others to develop an approach to mitigating the risk of modern slavery taking place on its construction sites. It will involve the use of more detailed contractual provisions, awareness raising with supervisors on site and compliance checks. This work will take place alongside other action taken in response to increased levels of CSCS card fraud and incidences of illegal workers on UK construction sites.

- b. Textiles:** When establishing our new corporate uniform contract, the City Corporation will undertake an approach similar to that currently implemented in the existing police uniform contract, especially in regards to increased transparency of manufacturing locations and audit procedures.
- c. Food:** During the mobilisation period of the new corporate catering contracts, the City Corporation will work with its three catering contractors, as part of the CCM approach and through supplier relationship management, to ensure appropriate due diligence procedures are undertaken, especially in relation to mitigating risks of exploitation of workers involved in food processing, harvesting and the fisheries industry.

79. The City Corporation will continue to collaborate with other public sector bodies as part of the LRPN and with the London Heads of Procurement (LHoP) to improve its own approach to tackling modern slavery and share learning and best practice with other public authorities.

80. Through its Commercial Contract Management team, the City Corporation will form closer relationships with a broader set of key suppliers and use a partnership approach to identify and help mitigate the risks of modern slavery occurring in our global supply chains.



81. The City Corporation will refresh its Modern Slavery Statement annually; the next will be published in July 2019, which is more aligned to the organisation's annual financial reporting. This new Statement will include updated policies and commitments, interventions, with a summary of progress made during November 2018 – June 2019 alongside future plans for continuous improvement.

**Chief Officer sign-off:** This Modern Slavery Statement was approved by the City of London Corporation's Summit Group on 26<sup>th</sup> September 2018

Signed: John Barradell Town Clerk

**Elected Member sign-off:** This statement was approved by the City of London Corporation's Policy and Resources Committee on 15<sup>th</sup> November 2018

Signed: Catherine McGuinness Chairman, Policy & Resources Committee

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