



Procurement Sub (Finance) Committee AGENDA SUPPLEMENT

Date: THURSDAY, 15 JULY 2021

Time: 11.00 am

Venue: VIRTUAL MEETING

9 a) Modern Slavery Statement Update for 2020/21

Report of the Chamberlain.

For information
(Pages 3 - 14)

John Barradell
Town Clerk and Chief Executive

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Committee(s)	Dated:
Markets Committee – For Information	7 July 2021
Policy and Resources Committee – For Decision	8 July 2021
Bridge House Estates Board – For Decision	14 July 2021
Procurement Sub Committee – For Information	15 July 2021
City of London Police Authority Board – For Decision	19 July 2021
Court of Common Council – For Decision	22 July 2021
Subject: Modern Slavery Statement Update for 2020/21	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 3, 5
For Bridge House Estates, which outcomes in the Bridge House Estates Bridging London Strategy 2020-45 does this proposal aim to support?	2
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: the Chamberlain	
Report author: Lisa Moore, Responsible Procurement Manager	

Summary

In November 2018, Policy and Resources Committee adopted the City Corporation's Modern Slavery Statement developed in response to the Modern Slavery Act 2015 (the 2015 Act). This was, and remains to-date, a voluntary statement to reflect the City Corporation's commitment to responsible business principles across all of its activities, and also to reflect the wider responsibilities of the City Corporation under the 2015 Act, having regard to the diverse functions it undertakes.

In 2018 the intention was to publish an annual update to track progress but due to delays and then disruption caused by Covid-19, no further updates have been published since the original statement was adopted. This report seeks approval to publish and adopt an update to the published statement that includes areas of improvement since the initial statement and relevant statistics from the last financial year. As with the original statement the update encompasses all the City Corporation's functions, including as corporate Trustee of Bridge House Estates.

Local authorities are not currently obliged to publish a statement, but central government has announced their intention to strengthen the provision of, and widening the application of, the 2015 Act to make certain requirements binding and enforceable as well as to extend the requirements for transparency in supply chains to the public sector. These changes are anticipated to come into force later this year. This update to the statement as recommended is intended to comply with any revised requirements for the City Corporation in the discharge of its local authority and other public functions.

Recommendation(s)

As relevant to their Committees' Terms of Reference Members of the following Committees are recommended to endorse for onward approval by the Court of Common Council the proposed policy update to the City Corporation's Modern Slavery Statement published in 2018 at **Appendix 1**, being the Bridge House Estates Board for the City Corporation as Trustee of Bridge House Estates (Charity Reg. No. 1035628), Members of the City of London Police Authority Board for the City Corporation as police authority, and Members of the Policy & Resources Committee in the discharge of all other City Corporation functions.

Main Report

Background

1. The Modern Slavery Act 2015 (the 2015 Act) was introduced to tackle modern slavery in the United Kingdom and set an example for other countries seeking to do the same. The 2015 Act *inter alia* includes a number of offences, provisions for the protection of victims, and 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. References to 'modern slavery' in this report include circumstances of slavery, servitude, forced or compulsory labour and child labour, and human trafficking.
2. The City Corporation was not a relevant commercial organisation as defined by section 54 of the Act, however, in November 2018, Policy and Resources Committee signed off the [City Corporation's Modern Slavery Statement](#). This was a voluntary statement to reflect the City Corporation's commitment to responsible business principles. Additionally, the Statement encompassed the City Corporation's wider activities in addressing modern slavery in the discharge of all of its functions, including by the City Corporation Police Force, as a local authority, and its funding activities in London both as Trustee of Bridge House Estates (Charity Reg. No. 1035628) (through its funding arm, City Bridge Trust) and in partnership with others, such as Heart of the City (Charity Reg. No. 1165434; Co. Reg. No. 5973126).
3. The Modern Slavery Statement outlined the roles, remits, commitments and work undertaken to detect and prevent modern slavery by the City of London Police, Community and Children Services Department, Markets and Consumer Protection Department, Human Resources Team, City Procurement Team, the Barbican Centre, City Bridge Trust and Heart of the City. It also detailed plans for continuous improvement.
4. The Statement is structured to reflect our actions according to the City Corporation's responsibilities and the level of control or influence the organisation can exert. Each section includes requirements of a Modern Slavery Statement under s.54 of the Modern Slavery Act:
 - (a) Remits and relevant risks – Within the remit of each Department; identifying the people, places, trades and industries at the highest risk.

- (b) Policies and commitments – Overarching and department-specific policies and commitments tackling modern slavery and other 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.
- (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.

Current Position

5. Following an Independent Review of the 2015 Act in 2019 which was presented to Parliament, HM Government has committed to introducing a range of measures to strengthen the current reporting requirements under section 54 of the Modern Slavery Act 2015, including:
 - (a) Extending the reporting requirement to public bodies with a budget of £36 million or more.
 - (b) Requiring organisations to submit their statement to the [Government modern slavery statement registry](#)
 - (c) Setting a single reporting deadline of 30 September by which statements should be published annually.
 - (d) Introducing financial penalties for organisations that fail to meet their statutory obligations to produce annual modern slavery statements.

Proposal

6. It was the intention to complete annual updates to the City Corporation's existing statement voluntarily, but delays and then the impacts of Covid-19 meant that no updates have been published to-date. The City Corporation is now in the position where, we understand from September 2021, it will soon be required to publish a statement.
7. Due to the detail in the original statement on organisational structure, remit, and responsibilities, it is proposed that it is kept on the website with a shorter progress update being published at this time. The overarching statement will be reviewed next year. This will allow the City Corporation to consider how the discharge of its obligations under the 2015 Act, and otherwise its voluntary responses and actions to address modern slavery and servitude in the discharge of its wider functions, should be communicated. It will also allow for internal governance changes within the City Corporation's operational structure as a result of the on-going work to review and implement a new Target Operating Model to be reflected. It is intended that matters will be kept under annual review going forward to provide greater transparency on what has been achieved over the relevant period.
8. Members, as relevant to their Committee's responsibilities, are asked to recommend to the Court of Common Council for approval the publication of the update to the statement on the City Corporation website and also on HM Government's Modern Slavery Statement registry.

Modern Slavery Statement Update

9. The update focuses in more detail on what has been done since the last update and on continuous improvement in four key areas:
 - (a) Our Organisation - Prioritising our commitment at the highest level, protecting and educating staff and taking dedicated action and collaborating across the City Corporation to combat modern slavery.
 - (b) Our Jurisdiction - Minimising the risk of modern slavery occurring in the Square Mile and City Corporation property, referring any victims on to the help they need, ensuring any perpetrators are brought to justice and helping to identify modern slavery in any place the City Corporation has a presence.
 - (c) Our Domestic Supply Chain - Using responsible procurement and rigorous contract management to mitigate the risk of modern slavery taking place within our UK supply chains.
 - (d) Our Global Supply Chain - Using responsible procurement and effective due diligence procedures to minimise the risks of using global suppliers who contravene human and labour rights and exploit people through modern slavery.
10. The full Modern Slavery Statement update can be found in **Appendix 1**.

Corporate & Strategic Implications

11. **Strategic implications** – Tackling modern slavery aligns with several aims of the City Corporation's Corporate Plan as well as the Responsible Business Strategy and the Responsible Procurement Policy. It also aligns with Bridge House Estates' *Bridging London Strategy 2020-45*, and the charity's funding strategy, *Bridging Divides 2018-2023* delivered through the charity's funding arm, City Bridge Trust.
12. **Financial implications** – There are no financial implications for this update.
13. **Resource implications** – Work on modern slavery has already been established and is being delivered by the relevant Departments and Teams. This paper does not request any changes to the level of resources allocated to tackle modern slavery.
14. **Legal implications** – The current statement adopted by the City Corporation has been adopted voluntarily and extends beyond the strict requirements of a usual modern slavery and human trafficking statement published under section 54 of the 2015 Act. Section 54 requires relevant commercial organisations with a turnover of £36m to set out the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of the organisation's own business. HM Government has indicated that public bodies with a budget over £36m will also soon be required to publish a Modern Slavery Statement which would, depending upon how those requirements are implemented, potentially require the City Corporation to publish a Statement.

15. **Risk implications** – HM Government has indicated that public bodies should be prepared to publish a modern slavery statement by September. Whilst those requirements are unclear at this time for an organisation as complex as the City Corporation, having regard to the current approach which has been adopted to voluntarily publish a statement which complies with the requirements of section 54 of the 2015 in the discharge of all the City Corporation's functions, it is recommended that an update is published in advance of September to set out the City Corporation's actions over the past financial year to ensure appropriate transparency in its supply chains and the organisation itself. This will mitigate against the risk of possible financial penalties which might arise in the absence of having an up-to-date modern slavery statement published in line with statutory and HM Government requirements.
16. **Equalities implications** – There are no specific equalities implications on the proposal of this paper. Work to tackle modern slavery and, as relevant to the functions being discharged by the City Corporation, Equalities Impact Assessments would be completed by teams undertaking work to ensure proper consideration of equalities implications.
17. **Climate implications** – Not applicable
18. **Security implications** - Not applicable

Conclusion

19. The publication of the proposed update to the current Modern Slavery Statement which was published by the City Corporation in 2018 is 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 providing oversight and a point of reference to ensure effective collaboration across the organisation, and in partnership with others.

Appendices

Appendix 1 – Modern Slavery Statement Update 2021

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Modern Slavery Statement

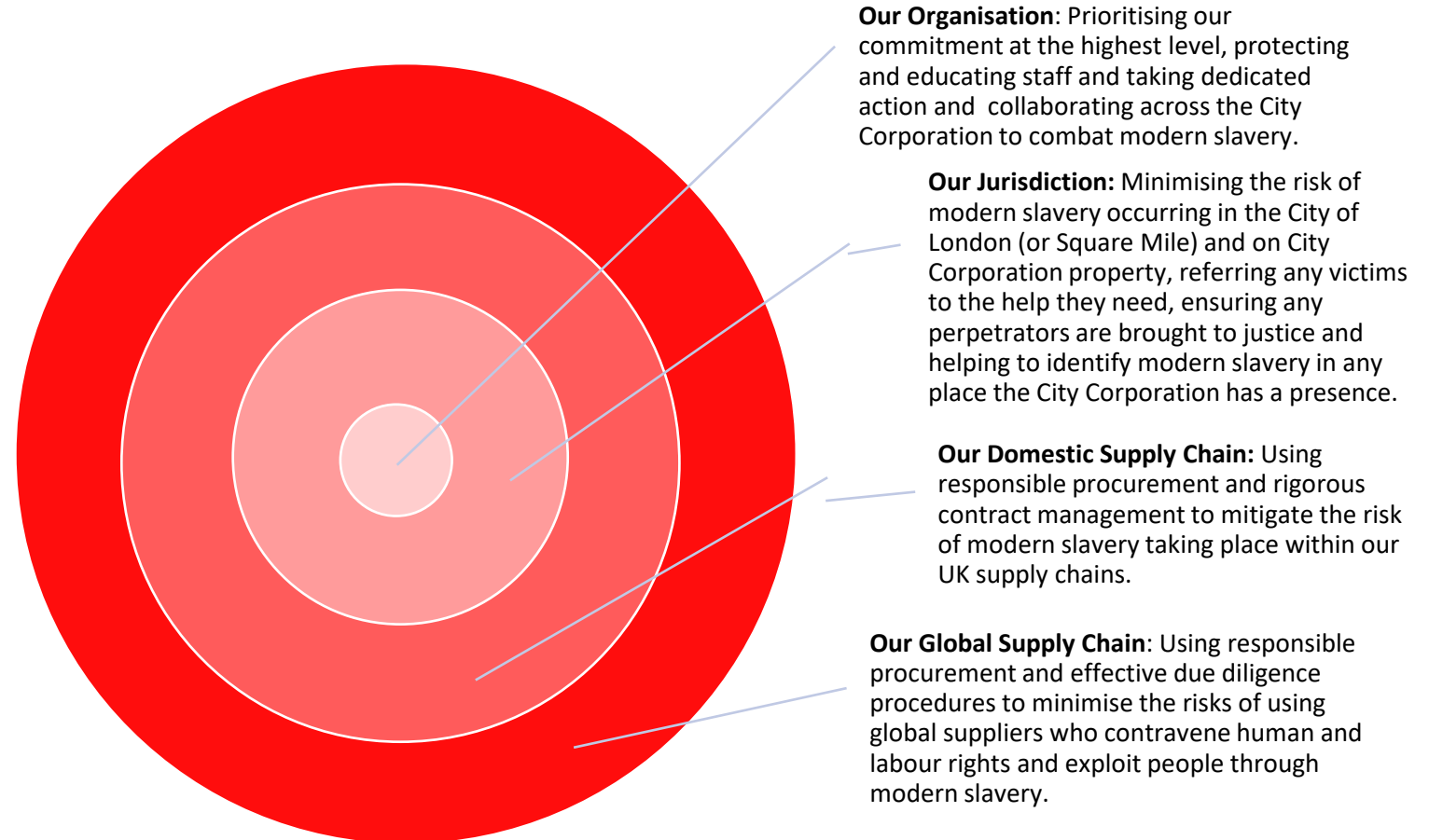
2021



Introduction

- The [first Modern Slavery Statement](#) published by the City Corporation was released in November 2018 and remains available online. As well as outlining our approach to tackling modern slavery at that time, it outlines in detail our organisation's remits and risks related to modern slavery, alongside the City Corporation's structure and various legal functions, including as charity trustee of Bridge House Estates (Charity Reg. No. 1035628) (BHE).
- This current Modern Slavery Statement focuses in more detail on what is being done across the organisation: practices that have now been established to combat modern slavery, recent progress and continuous improvement commitments. Its publication follows the release of the City Corporation's Responsible Procurement Policy.
- In the interest of due diligence, transparency and responsible business commitments, this Modern Slavery Statement is produced by the City Corporation on a voluntary basis alongside peer organisations who are required to comply with Section 54 of the Modern Slavery Act 2015.
- 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.

- The Modern Slavery Statement is divided into four sections, which set out the steps the City Corporation is taking:
- in discharging its functions to ensure that modern slavery is not taking place in its business, jurisdiction or supply chains.
 - to use its wider influence to reduce modern slavery risks and impacts.



Endorsed Modern Slavery Statement and Policy

City of London Corporation



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The City of London Corporation recognises its responsibility to help identify and eliminate modern slavery through its 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.

This Policy and Modern Slavery Statement is endorsed and signed off by:

John Barradell
Town Clerk and Chief Executive
Signed July 2021

Catherine McGuinness
Chairman, Policy & Resources Committee
Signed July 2021

Our Organisation

Prioritising our commitment at the highest level, taking dedicated action and collaborating across the City of London Corporation to combat modern slavery



Risks

Modern slavery is prevalent in many industries, both within and outside of the UK. The City Corporation recognises the risk associated with its own activities; this Modern Slavery Statement sets out our response.

Policies and commitments

Corporate Plan: People are safe & feel safe, Businesses are trusted to be environmentally and socially responsible. Responsible Business Strategy 2018-23: Promoting human rights through our every day work and decision making. BHE Bridging London Strategy, 2020 – 2045: aim to be sustainable.

Established Practice and Remit

- To ensure the most effective approach to tackling modern slavery, leads from across the organisation formed a working group to coordinate efforts, offer mutual support and make sure that resources, training and lessons learned were and continue to be shared.
- With representation from: the City of London Police, Bridge House Estates, Markets & Consumer Protection, the Barbican, Department for Community & Children's Services, and central support Departments - Town Clerk's (Human Resources and Learning & Development), Chamberlain's, and Comptroller & City Solicitor's.
- A modern slavery e-learning course is available to all staff, raising awareness of their role in identifying and reporting concerns.

Recent Progress

- This Modern Slavery Statement was co-authored by relevant leads across the organisation, coordinated by the Procurement and Responsible Business teams.
- Significant progress on combatting modern slavery has been made by individual teams, which is detailed further on, but from an organisational perspective, the most substantive progress includes:
 - Increased cross-departmental training and awareness raising events and cooperation with external agencies.
 - Increased cooperation with regional and national groups.
 - Establishment of an independent Responsible Business Panel, who advise on the City Corporation's approaches to ensuring social value, sustainability, and human and labour rights.
 - Living Wage commitment has been enhanced to include any person working under any of our contracts for two or more hours. This removes the requirement for people to be working on our sites or for longer periods of time (previously eight weeks).

Continuous Improvement

- An analysis of the nature of funds within CoL's investment portfolio was carried out. As work on responsible investment progresses, the risk of Modern Slavery being associated with our investment portfolio will be one of the Environmental, Social, Governance (ESG) aspects considered, to help shape CoL's investment activities and improve the transparency of due diligence measures undertaken.
- Will now publish a Modern Slavery Statement on annual basis.

Our Jurisdiction

Minimising the risk of modern slavery occurring in the Square Mile and on City Corporation property, referring any victims on to the help they need, ensuring any perpetrators are brought to justice and helping to identify modern slavery in any place the City Corporation has a presence



Risks

People at the highest risk of being victims of modern slavery in the Square Mile include sex workers, street traders, hospitality workers, cleaners, security personnel, construction workers and those providing domestic and care services or personal health and beauty services.

Policies and Commitments

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 Department for Children and Community Services (DCCS) work in partnership with City and Hackney Adult Safeguarding Board, City and Hackney Safeguarding Children's Partnership Board and the Safer City Partnership.

Established Practice and Remit

- While a corporate responsibility, DCCS are leaders for safeguarding children and adults in the City of London. They act as the single point of contact (SPOC) for Modern Slavery reporting.
- As part of their core duties, Markets & Consumer Protection (MCP) officers frequently visit sites in the Square Mile posing risks of modern slavery and are vigilant in observing and reporting any suspicious circumstances.
- The Serious Organised Crime board, led by the City of London Police (CoLP), brings together key agencies, assuming an advisory function to disrupt organised crime groups, inhibiting modern slavery activities.
- Specific roles and responsibilities are delegated within CoLP around training and intelligence and to deal with the victim(s), the suspect(s) or organised crime groups and the subsequent investigation.

Recent Progress

- Modern Slavery continues to be a topic of interest for MCP at the Licensing Liaison Partnership (which includes the Border Force).
- CoLP had 12 modern slavery referrals and 4 'duty's to notify' in 2020. Numbers were reduced in 2020 due to a reduction in footfall in response to Covid-19 and a large reduction in crime traditionally linked to criminal exploitation.
- 13 CoLP officers completed a College of Policing four day Modern Slavery Investigator course enabling them to provide tactical advice on Modern Slavery investigations.
- 16 CoLP officers completed a College of Policing 2 day Modern Slavery Victim Liaison Officer Course to assist in the identification and support of victims.
- Modern Slavery training inputs have been provided to frontline officers, new recruits and custody officers.
- CoLP have actively participated in Modern Slavery and County Lines intensification activity, identifying potential victims.

Continuous Improvement

- A SPOC for modern slavery issues to be set up in MCP and will be attending the MOPAC commissioned Focus on Labour Exploitation (FLEX) modern slavery 'train the trainer' in June and July, with training to be delivered to the teams after.
- A bespoke, shorter Modern Slavery investigator course is being developed internally for City of London Police investigators.
- CoLP continue to develop partnerships across the community and within policing to improve the identification and response to modern slavery.
- DCCS are investigating referral pathways into services including those supporting homeless people.
- DCCS will review the current internal training and promote further awareness.

Our Domestic Supply Chain

Using responsible procurement and rigorous contract management to mitigate the risk of modern slavery taking place within UK supply chains.



Risks

Based on the value and nature of contracts, the highest risks of modern slavery occurring in our UK supply chain include entry level roles in the construction, security, waste, cleaning and laundering, food harvesting and processing, and care industries, those typically undertaken by agency, seasonal and/or migrant workers, or those without formal UK qualifications

Policies and Commitments

The City Corporation's Responsible Procurement Policy 2020 includes commitments to pay the Living Wage and guard against modern slavery, human and labour rights abuses, and unfair working practices in high risk supply chains.

Established Practice and Remit

- Domestic supply chain categories: Healthcare/ homecare and supported living, taxis, food, security, hazardous waste and construction sites.
- The requirement for all suppliers that are in scope of the Modern Slavery Act 2015 to have a valid Modern Slavery Statement is incorporated as a pass/fail procurement criterion in the City Corporation's Supplier Questionnaire (SQ).
- A dedicated Responsible Procurement resource overseeing tailored interventions to ensure supply chain due diligence in all contracts posing a high risk of UK modern slavery.

Recent Progress

- In depth training was delivered in February 2021 to all City Procurement staff including Commercial Contract Management, Procurement Operations, Sourcing & Category Management and Accounts Payable staff on Responsible Procurement including modern slavery.
- Guidance on relevant contract types and recommended interventions to minimise the risk of domestic modern slavery in our supply chains has also been provided to procurement staff.
- Supplier evaluation questions have been expanded to include checking validity of Construction Skills Certification Scheme (CSCS) cards.
- Collaboration with London Heads of Procurement – with the Responsible Procurement Manager leading a workshop on tackling modern slavery in supply chains.
- Commitment in our Responsible Procurement Policy (published in 2020) to tackle modern slavery and a supplementary Action Plan drafted focusing on domestic modern slavery.

Continuous Improvement

- Introducing a specific requirement for site managers/ other relevant (sub)contractor staff to have the facility to check CSCS cards.
- Enhanced compliance provisions within standard contract terms in conditions.
- Explore whether or not it is something that could be incorporated into street works/ construction codes of conduct.
- Implement more structured internal procurement guidance for relevant decision making boards and commissioning officers.
- To complement the newly signed RP Policy, a focused Action Plan, including increased monitoring of compliance by high risk categories, will be implemented.

Our Global Supply Chain

Using responsible procurement and effective due diligence procedures to minimise the risks of using global suppliers who contravene human and labour rights and exploit people through modern slavery



Risks

The highest risks of modern slavery in our global 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 (gold, tin, tantalum and tungsten) and cobalt found in computer equipment and vehicles are also of significant concern.

Policies and Commitments

Underpinned by the City Corporation's Responsible Business Strategy, our Responsible Procurement Policy 2020 makes specific human and labour rights commitments, with an action plan focussed on tackling modern slavery in global supply chains

Established Practice and Remit

The Responsible Procurement Manager tailors interventions to ensure supply chain due diligence in all contracts posing a high risk of global modern slavery, such as:

- For relevant contracts with lower risk/ spend/ leverage, pass/fail confirmation of adequate due diligence is required, to ensure awareness of and compliance with ILO conventions. High risk materials are outlined.
- For higher spend/ risk/ leverage contracts more active steps are taken within the procurement process including requiring contractors to declare current due diligence procedures followed by staged, mutually agreed upon continuous improvement requirements based on hot spot risks.

Recent Progress

- Since the publication of the City Corporation's first Modern Slavery Statement in November 2018, 99.66% of contracts by value (a total contract value of £4,227,854,738), which are deemed to be of high risk in terms of global modern slavery, have had active interventions incorporated. 0.18% of the remaining proportion (a total contract value of £7,542,818) were framework contracts established by third parties, with 0.15% (a total contract value of £6,728,930) relying on the validity of the contractor's Modern Slavery Statements alone. A goal of 100% active interventions has now been set, including for framework contracts.
- The City Corporation presented examples of procurement interventions as part of the Local Government Association (LGA) webinar on Modern Slavery in Local Government Supply Chains on 16 December 2020, and over the last three years has continued to work with the LGA, Home Office, Ethical Trade Initiative (ETI) and Greenwich University's Business, Human Rights, and Environmental Research (BHRE) Group to raise awareness and support the broadening of the Modern Slavery Act 2015 to the public sector.
- Commitment in our Responsible Procurement Policy published 2020 to tackle human and labour rights abuses in high risk supply chains and a supplementary Action Plan drafted focusing on global modern slavery.

Continuous Improvement

- Enhanced bank of questions for contract tenders and guidance with an increased focus placed on working with contractors to reduce risks of modern slavery within their supply chains.
- Contribute towards pan-London work through the London Responsible Procurement Network and London Procurement Network, which will include workshops involving industry representatives.
- Sign-off and implementation of an Action Plan which includes actions such as identifying supply chain hotspots for current high risk contracts and developing supplier action plans for improvement.